ORIGINAL PAPER

Regional Leadership: A Systemic View

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Abstract New innovation and industrial policies contribute to the development of an informal economy and have increased collaborative processes across sectors and social spheres within regions. This paper addresses the role of regional leadership in the informal economy. By themselves, network processes increase complexity and create a series of uncertainties that differ from processes that are steered through the hierarchical procedures of public bureaucracy or regulated through the judicial and competitive mechanisms of the market. These collaborative and steering challenges must be addressed by regions that seek to succeed with their development efforts. Empirical findings show us that relatively similar regions do not respond in a uniform fashion to the challenges raised by network based development processes. This paper argues that regional leadership anchored in representative democracy can reduce some of the uncertainties and complexities of network based regional innovation policies, increase sustainability and long term effectiveness, and strengthen local democracy.

Keywords Regional development · Leadership · Systems change · Innovation

Introduction to Regional Leadership[1]

The study of leadership from a governance perspective remains underdeveloped and profoundly under theorized (Elgie 2007). In addition, this literature tends to build on cases and empirical evidence highlighting personal characteristics, traits and skills, e.g. *'heroic leadership'* (Benneworth et al. 2007). Such approaches have their uses, but a systemic view on leadership allows us to better focus on policy relevant elements such as agency, institutions and structure.

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[1] An earlier version of this paper was presented at the Academy of Management 2012 annual meeting themed "the informal economy" in Boston. I would like to thank for constructive suggestions by the academy reviewers as well as the journal reviewer and the editor.

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Formal organizations and regions are different in terms of how we should understand the processes and possibilities for leading them. We know exponentially much more about the leadership of formal organizations than of regions; management, organization and leadership studies and theories exists in abundance while you have to dig to find updated literature relating to regional leadership. However, as a start we can recognize that a signaling difference between the leadership associated with formal organizations and regions is that in the leadership associated with formal organizations the leader has some degree of formal authority to make binding decisions. In a regional setting where leadership can be understood as an act involving setting direction and promoting activities toward shared goals for a multitude of formal organizations and institutions belonging to different social spheres and sectors (e.g. universities, public sector, firms, entrepreneurs etc.). Formal authority exists only to a limited degree in most cases. It follows therefore that in a theory of regional leadership formal authority plays a less significant role than it does in leadership theories for formal organizations. This being said, there is much insight from "traditional" organization studies that also would be important components in a fully developed theory of regional leadership. In particular this would relate to theory elements that does not emphasize the role of hierarchical and formal processes and functions, such as organizational culture, visionary leadership, team and group dynamics, knowledge management, networking, etc. In one sense one could argue that all theory elements that emphasize the restrictedness of leadership could be relevant for a theory of regional leadership. Therefore, comparing regional leadership to a concept such as *distributed leadership* is of particular interest.

Bennett et al. (2003) literature review of distributed leadership put forward this concept consists of three distinctive elements. First, that distributed leadership highlights leadership as an emergent property of a group or network of interacting individuals. This is in contrast to leadership that arises from one individual. This would have its parallel in a theory of regional leadership in the sense that regional leadership empirically is often found residing in a coalition of stakeholders working toward shared aims. Second, Bennett et al. (2003) argue that distributed leadership suggests openness to the boundaries of leadership. Meaning that it is open in terms of including more than the conventional net of leaders and does not set any particular limit to how large is the leadership category. Distributed leadership opens the question of who should be considered in leadership roles in a particular setting, and thus opens up inclusion to a broader group of actors. This also has a parallel in regional leadership, as this function is often difficult to clearly demarcate, particularly over time and within different areas of policy. Third, that distributed leadership entails the view that varieties of expertise are distributed among the many not the few. Numerous, distinct, relevant perspectives and capabilities can be found among actors spread across a group or organization. If these are brought together it is possible to forge a collaborative dynamic, which represents more than the sum of the individual contributors. In essence this is how (Bennett et al. 2003) understands distributive leadership, "leadership as the product of concertive or conjoint activity, emphasizing it as an emergent property of a group or network—which will underpin it." Thinking positively about regional leadership we could imagine these representing also central component ideas in a theory of regional leadership. This is because regional leadership is a restricted form of leadership in a context where regional resources, institutions and interests are brought together in a multi-stakeholder context to help regional actors to address development goals that they otherwise could not reach by themselves.

By regional leadership, we then understand a particular role in a regional governance network system; we also recognize this system as neither a hierarchy nor a market (Powell

1990), but as a system where the basic organizing principle is horizontal and nonhierar-chical, a heterarchy (Miura 2007). From this, we can deduce that regional leadership often operates in the absence of someone having formal power over someone else and we can therefore distinguish regional leadership from administration or management (Bryman 1992). Sotarauta and Viljamaa (2002) write that leadership in regional innovation envi-ronments differs in nature from conventional modes of leadership developed for the cor-porate world because the means to power are mainly indirect. Regional leaders are not without power or influence, but important elements of their power are not necessarily formalized as an administrative right to make binding decisions. It also follows that regional leadership can be shared between a set of individuals and/or institutions and viewed as a collective endeavor (Benneworth et al. 2007; Sotarauta 2005). A systemic view of regional leadership implies that we see both beyond the characteristics of the single individual and that we recognize the limits to our ability to instrumentally steer societal developments. However, precisely because society is so complex we can, looking at the larger picture, also appreciate the adaptive possibilities for social systems and discuss regional leadership in relation to this. Given this, we could understand regional leadership as a role involving steering, coordination, and the influencing of societal developments across social spheres and administrative-, sectorial-, territorial-, and institutional borders.

The reason that regional leadership plays an important role relates directly to the increased attention that has been given to the role of regions as distinct arenas for eco-nomic development and innovation. In Europe and elsewhere, this is a trend that has continued to gain momentum as a specific *regional* angle on industrial development pol-icies. The underlying material change behind this transition into regionalism relates to technological change but also major shifts in industrial structure. The accelerated transition towards a globalized, information-technology driven economy has paradoxically not ero-ded the significance of location and spatial proximity for business performance (Asheim et al. 2006). The business economist Michael Porter puts the development like this:

> In a global economy—which boasts rapid transportation, high-speed communica-tions, accessible markets—one would expect location to diminish in importance. But the opposite is true. The enduring competitive advantage in a global economy are often heavily localized, arising from concentrations of highly specialized skills, knowledge, institutions, rivalry, related businesses, and sophisticated customers (Porter 1998b).

One of the basic tenets underlying this development is the importance of local inter-action between firms coupled with institutional support in order to achieve a higher rate of innovation, job creation, and growth in the regional and consequently national economies. The post-Fordist economy has therefore also been described as a 'learning economy,' where innovation is a socially and territorially embedded interactive learning process (Lundvall and Johnson 1994). This shift in perspective towards what Paul Krugman has called the 'localization of the world economy' (Krugman 1997), has been accompanied by development of a new set of theories and concepts aimed at both empirically describing and conceptualizing the regionalization but also at normatively suggesting policy mea-sures. Some of the most influential concepts and theories addressing these issues belong to: Porter (1998a, b, 2003) concept of 'business or regional clusters'; Henry Etzkowitz and Loet Leydesdorff's concept of 'triple-helix,' which emphasizes the importance of insti-tutional collaboration between universities, government, and industry (Etzkowitz and Leydesdorff 1997); Richard Florida's concept of 'creative class' and 'creative regions' (Florida 2002, 2005); the development of the concept of 'learning regions' as a way of

further conceptualising an interactive learning economy (Asheim 1996; Florida 1995; Morgan 1997; Storper 1993); and, 'regional innovation systems' which consists of two subsystems: the firms in a region which may form one or several clusters, and the knowledge infrastructure that supports regional innovation such as research and higher education institutes (Asheim and Isaksen 1997; Cooke 1992).

The sum of technological change, shifts in industrial structure and influential academic concepts and theories have proven to be a very potent recipe for the development of new industrial and innovation policies in regions. It has been transformed into an agenda for the regionalization of industrial policy and economic development in many countries in Europe since the 1990s (OECD 2001). The direct effects of this have been regional development based on network processes, the establishment of new institutions and networks and transformation of some old institutions such as firms, universities and public authorities. Regional development based on network processes cuts across traditional judicial jurisdictions of organisations and across the traditional boundaries between the private and the public sector. It has contributed profoundly to the development of an informal economy. These are processes that neither government, business nor civil society are able to tackle by themselves (Koppenjan and Klijn 2004). Regional actors are therefore forced into a mode of operation where the traditional rules, operating procedures, and familiar institutional practices are no longer adequate. When regional development transforms into an agenda of mobilizing actor resources across sectors and institutions and initiates learning and knowledge exchange between them, it is an example of a practice where horizontal networks replace hierarchies. Activities and processes are increasingly organized into networks and participation in the networks and network dynamics and become critical sources of power (Sotarauta 2004). Koppenjan and Klijn (2004) write that the consequence of this is increased fragmentation, complexity and uncertainty. When local decision-makers control only limited resources and are influenced by the decisions of others, mutual dependency between local actors increases. This paper discusses the role of regional leadership in these processes, in regional network governance, and asks the following question:

> How can we reduce the uncertainties and complexities of regional innovation policies?

The rationale is that a reduction in complexity increases the potential effectiveness of the regional development system as a whole (Council on Competitiveness 2010).

Examples of Regional Leadership Practices

During the last twenty years, regions have largely been faced with the same approach to development and policy. For instance, the role played by research intensive universities in stimulating regional economies (Gertler 2010). However, when we look at regional leadership practices we can find significant differences in terms of how this function and role is organized and executed. Even within very similar regions in terms of politics, culture, and history, there can be telling differences. In Norway, the neighbouring regions of Stavanger and Agder are examples of this divergence (Normann 2007). In the following section, I will describe in condensed form how regional leadership has been performed in the Stavanger and Agder regions in the southwest of Norway in the period from 1990 to 2011. In addition, the developments from two other regions will be briefly highlighted to illustrate even more variation.

Agder Region 1990–2004

The Agder region consists of two counties and thirty municipalities. Most of the people and the economic activity are located along the coastline, predominantly around Kristiansand, which is the largest city and municipality. In the Agder region during the 1990s and early 2000s, regional strategies were effectively transformed into practical results with the use of networks and network mechanisms (Normann 2007). The end results were outlined as regional strategies in the policy document *Common Goals at Agder* (Norman et al. 1994). These regional strategies included selling hydro-electrical companies to finance funding institutors such as the Competence Development Fund of Southern Norway and Cultiva, infrastructure measures such as developing a new motorway between the cities within the region and transforming a college into a university. All of these strategies were planned and implemented as a result of network processes. The leadership behind these processes was not rooted in one political party, neither was there a single person or institution behind it. It was rather a collection of people from different institutions who worked together based on a shared vision of how the region should develop. Inspired by Elkin (1987), Lyngstad (2003), and Stone (1989), the concept of regional regime has been used to describe this type of leadership (Normann 2007). One of the key players in the regional leadership stemming from this period was Victor D. Norman, a person who later served as Minister of Labour and Government Administration from 2001 to 2004. He has written that at times he felt that he was closer to the power to effect real change when he participated in developing the regional plan in Agder than when he was Minister (Norman 2011). The regional leadership in the Agder region has therefore been described as effective (Normann 2007).

Agder Region After 2005 and Stavanger Region After 1990

During the 2000s, and in particular from 2005 onwards, the leadership of the regional development system in the Agder region became increasingly fragmented (Hidle and Normann 2012; Normann 2012; OECD 2009) to the point where there was little coordination of strategies and plans outside what single actors and institutions themselves managed to initiate. There is no single explanation for why this happened. But one clear reason is that central individuals that were actively involved in the regional leadership and who had accomplished much retreated to other positions. Consequently, as new institutions were established, the regional leadership that earlier had provided direction and coherence was no longer there to steer them. The situation in the Agder region went into flux in terms of regional leadership. There are, of course, still many institutions that individually work effectively but there are few that coordinate well on related topics and there are few shared goals and binding strategies. Politicians in the Agder region are pretty much on the sideline in relation to this development. They have delegated the responsibility for developing the regional governance networks to specialists (see Table 1). These people are skillful and competent but have no authority outside their own network or institution. This is a process that has gradually increased the level of fragmentation and policy plurality in the Agder region.

The Stavanger region is very similar to the Agder region in terms of political composition and social and cultural structures (Normann 2007). The region consists of about fifteen municipalities in the southwest of Norway.[2] This region entered into the

[2] Norway has a three layered governmental structure; municipalities, counties and the state level. The Norwegian government failed in 2010 with its efforts to establish the region as a new fourth formal level,

Table 1 Steering of the largest governance institutions in Agder and Stavanger

Governance institution	Purpose and resources	Organisation and network leadership	Regional leadership
Agder region			
Competence Development Fund of Southern Norway	Regional R&D support and financing. €90 Million capital base	Foundation with manager and board of directors. Politicians held one of seven board member positions	External specialist is chairman of the board (the mayor in Kristiansand is member of the board)
Cultiva	Develop culture-based workplaces. €190 Million capital base	Foundation with manager and board of directors. Politicians held two of five board member positions	External specialist is chairman of the board (the mayor in Kristiansand is not a board member)
KNAS	Property management/ spatial planning, industrial policy. €170 Million capital base/ property value	Private limited company. Politicians held three of seven board member positions	External specialist is chairman of the board (the mayor in Kristiansand is not a board member)
Stavanger region			
Universitetsfondet for Rogaland AS	Regional competence development and property management. Disburses returns from Lyse Energi (approx. €12.5 million annually)	Private limited company. Politicians held seven of nine board member positions	Stavanger mayor is chairman of the board
Forus Business Park	Property management/ industrial policy. Facilitation and planning, hosts 1,000 firms and 2,000 workplaces (property value unknown)	Private limited company. Politicians held nine of nine board member positions	Stavanger mayor is chairman of the board
Greater Stavanger	Industrial development. Collaboration between 16 municipalities on industrial development policies	Private limited company with 12 employees. Politicians held seven of 12 board member positions	Stavanger mayor is chairman of the board

Adapted from Hidle and Normann (2012)

regionalization phase in sync with Agder in the early to mid-1990s. However, because of different norms relating to the role of elected politicians (Hidle and Normann 2012), politicians in the Stavanger region have continuously steered and been both the formal and informal leaders of regional governance processes. The Table 1 compares some of the

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Footnote 2 continued

leaving the definition of what constitutes a region in Norway up to both the local level and various state level sectors. This has resulted in the concept of what a region is in a Norwegian setting to be relatively confusing, e.g. does hospital represent one type of regions, the police has another, the research council of Norway divided into another set of regions and so on. If we look at the regions as planning and development units most typically a region covers between one and three counties. But in the case of the Stavanger region it actually only comprises 14 of the 26 municipalities in Rogaland County, and in addition one municipality in Vest-Agder County.

Table 2 Regional leadership assessments

Region	Regional leadership	Effectiveness	Democracy	Sustainability
Agder-region 1990–2004	Coalition steered development regime	High	Medium	Terminated
Agder-region 2005–	Absent	Low	N/A	N/A
Stavanger region 1990–	Regional leadership as political leadership	High	High	Ongoing
Oulo 1980–2000	Coalition steered development regime	High	Medium	Terminated
Finnmark 2005–	Regional leadership as government leadership	High	Medium	Ongoing

largest governance institutions in the Stavanger region and Agder and illustrates some telling differences relating to how the regional leadership role is executed. The governance institutions below administer large economic resources, billions of Norwegian krones on behalf of society. They are also very important in that they influence other governance actors indirectly through funding, strategy, and direct steering, performing a type of meta-governance function (Kooiman 2003; Sørensen and Torfing 2008). Coordinated steering of the largest governance institutions could therefore be viewed as an effective way of performing regional leadership. But as the Table 1 shows only in the Stavanger region do we find this type of regional leadership.

In Rogaland, and in particular in the Stavanger region, the unique role and status of the mayor of Stavanger is noteworthy. Tom Hetland, the chief editor of Stavanger Aftenblad, has described this as the "Rettedal-Sevlandske system,"[3] a system that has built political consensus across party lines and has established networks between politics and industry based on a mutual understanding of policy goals (Hetland 2011). The difference between Agder and Rogaland seems systemic, politicians in the Stavanger region seek positions of power and authority in governance networks while the comparable actors in Agder seem to avoid them and leave these positions to the experts in the Agder region. While in the Agder region there is a lack of regional leadership, in the Stavanger region there is a public debate about the institutional anchorage of the regional leadership between the county mayor in Rogaland Tom Tvedt, and the mayor in Stavanger Leif Johan Sevland. This debate was spurred by the counties as a result of a regional reform that from January 1 2010 gave the counties more responsibility to lead regional industrial development processes (Minge 2009a, b). In the Agder region, there was no similar competition for regional leadership and no public debate about the issue.

An example illustrating the difference in leadership practices is given by Jan Omli Larsen, the Managing Director of KNAS (Tables 1, 2). In a conference in Stavanger in May, 2011 he implicitly argued for the benefits of the KNAS model in Agder over the Forus Business Park model in the Stavanger region, which has a similar function and where the mayor in Stavanger is chairman of the board:

A relatively small dedicated company (KNAS) has (in Agder) been given the authority to execute area resource management for new industrial establishments. (KNAS) does not need to take political considerations outside acting according to regulations that all entrepreneurs must adhere to. This means that our (KNAS) priorities have been clear (Larsen 2011).

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[3] After the mayors in Stavanger Arne Rettedal and Leif Johan Sevland.

An interpretation of this is that politicians in Agder have delegated significant steering autonomy to KNAS, while politicians in the Stavanger region have retained control in their region. While politicians in Agder are often criticized for being too invisible, in the Stavanger region they are criticized for being too powerful (Birkevold and Klippen 2008).

In April 2008, Jostein Soland, the managing director of Stavanger Chamber of Commerce and Industry, a chamber with 3,100 members in 1,500 firms, criticized the leadership and organization of the political elite in the region. He criticized a lack of openness in the political debate, and he argued that the political debate had moved into the boardrooms where the roles were unclear and questions about impartiality could not be raised. He stated that the mayor in Stavanger had eighteen board appointments, where eleven were as heads of their respective boards and that all of these were in institutions where the municipality was co-owner or had strategic interests. Soland argued that the political milieu was characterized by fear of opposition to the powerful mayor and his closest allies, a fear that weakened the political debate (Birkevold and Klippen 2008). In his response to Soland, the mayor in Stavanger argued that it is exactly the coupling between the position as mayor and several central board positions that has created the ability to have a large impact for the region in important and strategic issues. He mentions development of the harbor, university status, Stavanger as a cultural capital, and industrial development as policy areas where this combination of roles has contributed to strengthening the region (Klippen 2008).

Another indirect effect of differences in regional leadership practices can be found when comparing how some R&D-projects are organized and executed in the two regions. VRI (The Program for Regional R&D and Innovation), is the Research Council of Norway's main support mechanism for research and innovation in Norway's regions. The program is executed through collaboration between the Research Council and regional partners (counties, universities, firms, etc.). Based on interviews with central actors in both Agder and Rogaland, Karlsen and Normann (2010) concluded that the two development programs had operated differently in the two regions. In the Stavanger region, there had been several interventions by regional stakeholders directly addressing the implementation of the program. For instance, there were involuntary personnel changes in the project team and a direct dialogue with project participants about the direction and orientation of the project that had been initiated. In the Agder region, project leaders within the VRI program seemed to be more independent in their roles with interpretation and execution. Regional stakeholders had not intervened in the implementation of the project but accepted the reports they were given and there were no involuntary personnel changes in VRI Agder from 2007 to 2010. Our interpretation of the interviews with project participants and regional stakeholders in Rogaland and Agder was that project members in Agder could work more independently and use their expertise as they saw fit, while project leaders in VRI Rogaland executed a set role within some more clearly defined parameters (Karlsen and Normann 2010). Based on this, regional leaders in the Stavanger region seemed more willing to directly involve themselves in the execution of VRI than in Agder. This shows the willingness and ability of the regional leadership in the Stavanger region to directly intervene in R&D programs that it does not see as in accordance with the overall regional development strategy. In Agder, more authority was delegated down to a more operative level, making the overall success of the program more a function of the competences of the operative R&D personnel.

The difference between the bordering Agder region and the Stavanger region does not, however, seem to be related to the quality of the collaboration within the two regions. The Stavanger regions seem to have established norms for effective collaboration across institutions (Næringsforeningen 2010; Schanche 2010); similar collaborative patterns have emerged in the Agder region (Normann 2007). In a 2007 survey, 1,600 private and public sector leaders in Rogaland and Agder were interviewed about a series of issues aimed at mapping dimensions relating to social capital, trust and collaboration between leaders from the public and private sector in the two regions. The results from the survey were conclusive; there was no noteworthy difference between the two regions on these dimensions (Hidle and Normann 2012). We therefore have no argument in favor of saying that there is a difference in the capability or will to collaborate across institutional borders in the two regions; the difference seems to be isolated to how the regional leadership role is organized and executed.

Oulo 1980–2000

The 'Oulo phenomenon' is a phrase that is often used to describe the transformation of a small Finnish city region close to the arctic circle away from industries based on natural resources to those based on what is commonly called the 'knowledge economy': research and development, and innovation (Teräs 2008). The 'phenomenon' has been explained tracing developments back to the period just after World War II but of particular interest is the transformation that happened during the 1980s and 1990s, the rapid growth of Oulu as a technology-based city that ended with Oulu becoming the leading centre for High Tech industries in the Nordic Countries and gaining a world-wide reputation (Morris et al. 2008).

The developments in Oulo have been described as 'triple-helix' in action; there was an entrepreneurial leadership from regional authorities, a small group of local entrepreneurs and the university acting in cohort with Nokia as the largest private sector employer. This leadership was effective and produced a number of small firms in electronics and ICT industries and some 4,000 Nokia jobs. Morris et al. (2008) writes that the Oulu phenomenon has one very clear feature: active and continuing cooperation between central government, local authorities, private enterprises and public institutions. They also write that the Oulo phenomenon was not sustainable and that during the 2000s there has been a decline in ICT employment, dissolution of the original visionary regional leadership, and that Oulo now struggles with how to renew and adapt its strategies (Morris et al. 2008).

Finnmark 2005–

Another variation of regional leadership is to be found when looking at recent developments in Finnmark since 2005 when the Norwegian government launched its new plan for the Arctic area (Eikeland 2010). Finnmark is the smallest Norwegian county in terms of population (73,663), the largest in terms of area (larger than countries such as Switzerland, Slovakia, Netherlands, Denmark, Estonia) and is also the eastern- and northernmost Norwegian county (bordering Finland and Russia). Sveinung Eikeland has discussed how the Norwegian state is the central actor in terms of initiating regional innovation policies in Finnmark (Eikeland 2010). The Norwegian government has identified the development of Finnmark and the arctic area as its most strategic target area. The changes that put the area on top of the agenda were the large gas and oil discoveries on the continental shelf just outside Finnmark (Snøvit), and the expectations of finding more oil and gas in the Barents Sea. In addition to oil and gas, geopolitically Finnmark borders Russia, it has a large share

of indigenous population (Sami people) and large fishery resources in the Barents Sea. Finnmark is therefore also a territory where environmental concerns are of particular importance (Regjerningen 2009). This has resulted in regional development in Finnmark going from having a relatively anonymous existence previous to 2005, to being at the centre of national attention after 2005. This has also meant that regional strategy and planning has almost become synonymous with national strategy and planning. The state, through its plans and strategies, gives direction and steers essentially all of the important regional policy areas, so it is therefore reasonable to argue that regional leadership in Finnmark in practice is synonymous with government leadership.

A Framework for Assessing Regional Leadership

Given these glimpses into different types of regional leadership practices, what types of criteria could we think of as generally acceptable if we were to compare and assess regional leadership practices? There are several, and here I will discuss the following three qualitative assessment criteria: *effectiveness*, *democracy* and *sustainability*. They are all important and obviously different, but interestingly they are also interconnected as the discussion will show.

Effectiveness

Assessing the effectiveness of a regional governance system is defined here as finding the input/output ratio of a system, and is a complex and difficult task. It becomes even more complicated when linking output, i.e. the mean value creation in firms, the number of jobs created, the innovations and patents produced, etc. directly to decisions made by a regional leadership. Measuring outcomes is also problematic because decision-making processes in regions can be lengthy and the goals of actors are likely to change over time (Klijn et al. 2010). I therefore simplify and follow Klijn et al. (2010) and say that regional leadership can be assessed in terms of what it produces in terms of the substance of results and process outputs.

The substance of results is relatively straightforward; it can be concrete institutional developments, infrastructure, policies, programs, innovative solutions that can be traced back to strategies and/or decisions made by a regional leadership. Process outputs is, on the other hand, more subtle but can be viewed as an evaluation of the extent to which the regional leadership was able to transcend institutional borders and mobilize resources across sectors, create a sense of shared vision, create cohesion, overcome deadlocks, find solutions to problems, and mediate different interests. A regional leadership that is both able to create substantive results and create process results is then, by definition, an effective leadership.

Democracy

The new innovation policies also challenge established power structures and the role of traditional social institutions of society. Changes in organization shifts the attention of policy-makers and decision-makers, some social interests are organized in, and others are organized out (Bachrach and Baratz 1963). The political scientist Elmer Eric Schattschneider has famously phrased this point the following way:

All forms of political organisation have: a bias in favour of the exploitation of some kinds of conflict and the suppression of others, because organisation is the mobilisation of bias. Some issues are organised into politics while others are organised out (Schattschneider 1960).

A related point is made by Olsen (2004) when he writes that that the increased emphasis that is put on innovation is an expression of shifts in the power relations between professions, organisations, institutions, and societal groups. Bachrach and Baratz (1963), Olsen (2004) and Schattschneider (1960) points are an important reminder for us as to how changes in perspectives and practices related to innovation policy also changes local democracy.

Regional leadership can be performed both by a single individual belonging to a single institution or as larger constellations of actors with multiple institutional memberships. There are a wide range of actors and institutions we could think of as being part of regional leadership, for instance: (1) *R&D institutions*: university or faculty leadership; renowned professors; research institutions; knowledge parks; technology transfer institutions; consultancies; larger R&D projects. (2) *Industry*: interest organisations; cluster project organisations; larger firms with regional anchorage; local entrepreneurs. (3) *Public administration*: policy instrument and support infrastructure; leading bureaucrats both at national and regional/city level; publicly owned firms. (4) *Funding institutions*: both private (venture capital) and public funds; banks typically with a mandate to develop the region/firms in the region; regional research funds. (5) *Influential individuals*: wealthy philanthropists; entrepreneurs; business owners; charismatic-, cultural-, intellectual-, sports personalities; previously elected representatives/political leaders. (6) *Media*: local and national media organisations. (7) *Elected representatives*: political leaders; city mayors; county mayors; national level representatives, etc. Within the context of this list with seven types of regional leaders, it becomes clear that regional leadership does not need to originate from one or even the same social sphere or sector.

When assessing the democratic qualities of a regional leadership, it should score better in terms of (representative) democracy if the regional leadership is identical with elected political leadership and not non-elected elites. However, a broader conceptualization of (participatory) democracy could also emphasize to what extent the regional leadership only serves narrow interests or if broader societal interests are also included. For example, do the minority and those not directly represented in governance structures have a voice, do "outsiders" have formal procedural rights in terms of appealing, vetoing, and contributing to the process? A democratic regional leadership should also have some level of autonomy, if not it is just for show or a proxy. For instance, operating under the direct instructive guidelines from national political bodies or having little elbow-room in terms of making independent decisions would reduce the democratic qualities of the system. Overlap between regional and political leadership is therefore not the only relevant assessment criteria in terms of democracy. Thus a more rigid scheme for assessing the democratic qualities of a particular regional leadership regime must be developed. For now we can most easily review to what extent the regional leaders also have formal positions as elected leaders. Assessing the contents of outcomes in terms of a broader interpretation of democracy is more demanding and will also require insights into specific regional needs, interest articulation processes, and specifics relating to the organization of participation (Normann 2007).

Sustainability

The third qualitative assessment criterion of regional leadership is sustainability. A regional leadership that lasts only a few years or that is not able to renew itself weakens and creates a power vacuum thereby increasing the level of fragmentation and the inherent complexity of a regional governance system. Lack of regional leadership usually implies that actors and institutions would use more time on coordinating, planning, and competing than they would if they could work in accordance with a regional leadership.

There is also a strong relationship between regional leadership anchored in representative democracy and sustainability because representative democracy has a built in mechanism for securing succession. When an elected political leader also holds a role as a regional leader, it is natural when s/he withdraws or loses an election for her/his successor to fill the position as regional leader. Representative democracy can, in principle, secure the continuation of a regional leadership every election cycle. In contrast if it were, for example, a university rector, a consultant, a business representative or a wealthy person that held this position, there might be no formal procedures in place to secure an orderly succession, and regions could be left in flux, or a vacuum could arise when individuals withdraw or are forced out of key leadership positions. What then defines sustainability of regional leadership in terms of duration needs not to be understood in terms of how much time has passed. It should be understood as the system's ability to transfer the regional leadership role from one set of actors and institutions to a new generation of actors and institutions.

Regional Leadership as Political Leadership

Analyzing Regional Leadership

A comprehensive analysis of the regional leadership in each of the regional cases that are reviewed in this paper that would do justice to all of the regions and the differences between them is outside the scope of this paper. Instead, based on the information and examples found in the paper, I discuss five regional leadership practices based on the assessment criteria laid out above. The Table 2 schematically summarizes the findings.

The Table 2 summarizes the discussion so far, and we see that it is the regional leadership in the Stavanger region that performs the best according to our assessment criteria. The main difference between the Agder region and the Stavanger region since the early 1990s is first and foremost that Stavanger has and continues to have a regional leadership; there is a consistent line of succession. In the fall of 2011, Johan Sevland retired after sixteen years as the mayor in Stavanger. He was succeeded by a mayor from his own conservative party and, according public documents from the executive committee of local council in Stavanger (case 89/11), politicians are continuing to staff and lead central governance institutions in the Stavanger region. In the Agder region there has been, but is no longer, any regional leadership; there is no succession. In both regions there are many regional governance networks and institutions working on the implementation of industrial, developmental, and innovation policies. In the Stavanger region, these policies are implemented by politicians directly, in Agder these boards are led by *different* specialists who are not elected. This means that the possibility to steer and coordinate regional development is greater in the Stavanger region than it is in the Agder region. Rogaland has reduced, compared to Agder, some of the complexities and uncertainties associated with regional network governance.

However, there are also other interesting systemic effects caused by these differences in governance practices. Regional leadership as political leadership provides other positive systemic effects in addition to securing succession and leadership sustainability. The research question in this paper asks how we can reduce the uncertainties and complexities of regional innovation policies. Regional leadership as political leadership has an independent positive effect on reducing some of the complexity and uncertainty of regional innovation policies.

An elected political leader holding a formal position, e.g. a municipal or county mayor, can provide legitimacy across institutional and social spheres. This contrasts significantly with results when we find examples of regional leadership that has not been anchored in representative democracy but rather in unelected local elites. This type of regional leadership is more dependent on individual traits and resources in order to provide legitimacy across institutional and social spheres. This unelected regional leadership has a fundamental weakness in that it can be challenged and crippled when the interests they represent are not unified. This is because this leadership lacks legitimacy across institutional and social spheres (Lyngstad 2003; Normann 2007). A university rector, consultant, business representative or high profile opinion leader can individually or as a group provide regional leadership as a result of their personal charisma, resources, knowledge or capabilities (Teräs 2008), but their position in this role is temporary, and their authority and legitimacy can always be challenged.

Regional leadership that is not anchored in representative democracy need not be held accountable for their actions and decisions (Normann 2007). Running for reelection means also defending and explaining decisions, strategies and policies, and this also adds some transparency to the system. In the interactive, fluid decision-making process that characterizes regional network systems it is often difficult to pinpoint responsibility for poor management, unfairness, or biased decision-making. When regional leadership of a governance network system is anchored in representative democracy it also gains some of the virtues of public bureaucracy (Du Gay 2000, 2005). In a functioning representative democracy, elected officials are held responsible for their decisions and role execution. In a representative democracy there is a paper trail of decision points that can be investigated by independent researchers or auditors seeking to evaluate regional development processes and decision points. Lack of accountability and transparency is therefore often highlighted as one key weakness of governance network systems (Olsen 2006). When elected representatives become regional leaders, it doesn't completely fix this problem, but it addresses it and contributes to making the system more transparent and thereby facilitates some level of accountability.

Concluding Remarks

New innovation and industrial policies have increased collaborative processes across sectors and social spheres within regions; they have contributed to developing a larger informal economy. Old and new policies, institutions, and agendas go hand-in-hand, and the requirements set by collaborative policies are steep. They challenge administrative borders between municipalities and counties, the judicial borders between the national interests and local interests, between institutions, and between public and private arenas. Regions that sustain a regional leadership that manages to coordinate interests in the regional governance system have better odds at succeeding than those that do not, because this type of regional leadership reduces some of the complexity in developing a regional

innovation system. Regional leadership adds a new dimension to political leadership whose competence requirements are steep. However, there is no reason to presume that political leaders are less qualified to take this role than others, as the Stavanger regional model demonstrates.

When regional developmental leadership is combined with political leadership, it gathers and concentrates power in what otherwise is a fragmented and complex system. If this leadership is also competence based, it will give a region an edge in its long term development. This observation points to the need for a stronger focus on governance and regional leadership issues in vocational training programs and for university curriculum for potential regional leaders as two of the most effective innovation initiatives a region can make.

The intent of this paper is to accentuate democracy in the debate of how to organize regional innovation and development processes, and also to highlight how little we actually know about the processes, possibilities and limitations associated with what we can label as regional leadership. This is a field where there is a need for more case studies, more comparative studies across regional and country boarders, and more systematic work on theory development. The phrase "more knowledge and research is necessary" is in the case of regional leadership not a cliché but a necessity if we are serious about regions as important units of societal development.

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