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Power and Leadership in Promotion of Regional Development: An Empirical Analysis of the Work of Finnish Regional Development Officers

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Abstract

Increased complexity and rapid pace of change demand more from people responsible for regional development at various levels of activity. This paper has its roots in a belief that the more complex situations are the more regional development is dependent on the leadership and network management capacity of key individuals. It suggests that by studying more deeply the roles that various individuals, and coalitions formed by them, have in institutionalisation, deinstitutionalisation and reinstitutionalisation processes might provide us with additional analytical leverage in regional development studies. This paper focuses on diffuse networks of dispersed powers from a Finnish regional development officer's point of view. Regional development officers are those people whose job it is to boost the economic development of their respective regions in Finland.

The research questions discussed here are: a) What kind of power is exercised by Finnish regional development officers; and b) how do regional development officers aim to gain influence for their efforts to promote regional development? The empirical research is based on data gathered a) through 41 interviews with Finnish actors responsible for the promotion of economic development in city governments, technology centres, regional development agencies, and ministries and other national bodies, and b) through internet survey of development officers at local, regional and national levels (531 respondents, response rate 51.8%). The survey was designed to solicit information about power and influence tactics in the context of regional development. The empirical analysis shows, for example, how interpretive power and network power are more important for regional development officers than institutional and resource power, and how indirect influence tactics surpass direct tactics.

Keywords

Regional development, regional development officer, leadership, power, influence, Finland, institution

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1 Introduction

Over the last decade or two there has been an increasing interest towards institutions in the context of local and regional development. Following Jessop's (2004, 23) thinking, this 'turn' culminates not only in the rather simplistic notion that institutions matter in regional development, but also in further scrutiny of their relevance and many manifestations. Of course, this broad agenda can be, and has been, approached from several angles (cf., Wood & Valler 2004). The increasing interest in institutions, and especially in soft institutions (Gertler & Wolfe 2004), directs our attention also towards self-reflexive individuals, or as Amin (2001, 1240) puts it, towards 'the process of organizing/instituting as it unfolds, and on the influences and implications of such organizing/instituting'.

This paper suggests that by studying more deeply the roles that various individuals, and coalitions formed by them, have in institutionalisation, deinstitutionalisation and reinstitutionalisation processes might provide us with additional analytical leverage. In regional development, the question indeed is about 'a mixture of highly diffused and reflexive governance capability resulting in inter-institutional overlap and contact … and forms of leadership in which the main task is not to dominate but to guide, arbitrate and facilitate' (Amin & Hausner 1997, 17, quoted in Phelps & Tewdwr-Jones 2004, 106). Philo and Parr (2000, 514) for their part suggest that it might be worthwhile to investigate particular institutional geographies as 'a spidery network of dispersed intentions, knowledge's, resources and powers'. All this leads, as Cumbers et al. note (2003), towards an acknowledgement that such issues as power and politics have remained in the shadows in studies of local and regional development. Consequently, the many delicate and complex but highly important issues related to power and influence emerge as important.

The issues raised above are not only academically interesting, but they also have a strong policy relevance. In many policy-making arenas, actors have taken pains to find ways in which to transform old institutions so as to make them fit better the emerging economic order that is fairly commonly labelled as the knowledge-based economy (Cooke 2002). The most difficult question in these efforts often is not what should be done, and why, but how to do it all - how a fragmented group of actors, resources, competences, ideas and visions can be pulled together, how people can be mobilised, how a new perception concerning the region and its future can be created for needed changes – who and/or what organisations are capable and respected enough to do it. This is particularly true in a more self-reliance orientated regional development context that has a strong belief in endogenous development models.

The point of departure here is that the need to shape institutions, combined with increased complexity and the rapid pace of change, demands more from people responsible for regional development at various levels of activity. This paper has its basis in a belief that the more complex situations are, the more regional development is dependent on the leadership and network management capacity of key individuals. This is in line with Wood's and Valler's (2004, 3) idea of regional competitiveness being grounded in the responsive capacity of regions, and as is argued here, responsive capacity requires competent people alongside effective systems and policies.

From these premises, this paper focuses on a diffuse network of dispersed intentions and powers from a selected group point of view. The selected group comprises Finnish regional development officers (RDO), i.e. those people whose job it is to boost the economic development of their respective regions in Finland. RDOs usually do not have either large resources or formal power to influence, and therefore studying the resources of power that these people have, the ways in which they bring influence to bear, provides us with clues concerning what people actually do in order to influence regional development; this knowledge is one of the steps in setting a wider agenda for future studies on leadership in regional development. Of course, other groups of importance might have been selected. Civic entrepreneurs, local and regional politicians, and entrepreneurs could all have been interesting targets of study. Regional development officers were selected because there is substantial demand on their part for insights into how to manage complex networks.

Consequently, the research questions discussed here are: a) What kind of power is exercised by Finnish regional development officers; and b) how do regional development officers aim to gain influence for their efforts to promote regional development? To answer these questions, attention is first targeted at policy networks, leadership and embedded agency, and then the key concept of this endeavour, power, is framed. In Chapter 6, data and methodology is introduced, and Chapter 7 discusses the position of the Finnish regional development officers. Chapters 8 and 9 report the main empirical observations and finally, in Chapter 10, wider conclusions are drawn from this exercise.

2 Policy networks in the economic development of regions

There is a growing support for the view that promotion of regional economic development is an interactive process between firms, various public or semi-public development agencies and research institutions. Consequently, there has been a move away from understanding policy-making as a rational decision-making and planning process proceeding from policy

design to decision-making, and finally to implementation, towards comprehending policy as a multiagent, multiobjective, multivision and pluralistic process, in which the actual policy is shaped continuously (Sotarauta 1996). In this kind of process, such questions as what is to be done, and how, are constantly negotiated and communicated in various forums. The concept of policy network is aimed to help us in taking a better grasp over the new contexts in which policy processes take place.

A network can simply be defined as a series of established social relationships, of various degrees, between interdependent actors. A basic assumption is that one party is dependent on resources and/competencies controlled by another, and that there are gains if the resources and competencies can be pooled. Moreover, in networks individual units exist not by themselves, but always in relation to other units. One important advantage of the network concept is that it helps us to understand not only formal institutional arrangements, but also highly complex informal relationships (Kenis & Schneider 1991, 27). On their part, Kickert et al. (1997, 6) define policy networks as "more or less stable patterns of social relations between interdependent actors, which take shape around policy problems and/or policy programmes". This kind of interaction does not only reflect complexity, but also is in itself complex, dynamic and pluralistic (Sotarauta 1996).

The concept of policy network is a good point of departure when seeking to understand and analyse the actions of regional development officers. For example, drawing on Bruun's study on the bio-grouping-focused local economic policy process in Turku (Finland), one can argue that a policy process is a combination of new and old ways of acting and deciding as well as new and old coalitions; i.e. complex, constantly evolving policy network.

> "One of the striking features of the BioTurku -trajectory is that it did not follow established decision-making channels, but was rather created through a mixture of old and novel forms for decision-making. Thus, horizontal collaboration between people and organisations (sometimes formalised, sometimes informal) was at least equally important as the vertical decision-making hierarchies of, for instance, the city and the universities. Seen from a BioTurku-perspective, the locus of initiative has been on constant move, and the bio-grouping has been dynamic, self-transforming, rather than a static structure." (Bruun 2002a, 81.)

Bruun's observations tell us a story of a simultaneous search for new policy contents, and of new ways and combinations to achieve these aspirations. Policy networks are complementing, and in some cases even replacing, traditional forms of policy-making and purely market-oriented attempts. Clearly, one of the key issues in the policy arenas has been to forge systems of national, regional and local governance in support of various organizations to enable them at the same time to compete, co-operate and create functioning policy networks for regional development. This, perhaps, has resulted in a

gradual erosion of traditional bases of political and economic power (see Pierre 2000, 1). All in all, policy networks are inherently political (not only party political), involving bargaining and compromise, winners and losers, ambiguity and uncertainty (Lynn et al. 2000, 4), and hence a challenge to mobilize, co-ordinate and direct these kinds of networks is formidable, and in this paper, regional development officers are seen as actors who explicitly aim to do all this.

The kind of policy setting briefly described above is challenging. Actors aiming to influence the complex policy networks are not some external third parties, actors aiming to influence from above and outside, but the effect of different actors on each other and on themselves (Kickert 1993, 195). Kickert's observations are supported by a series of Finnish studies on regional development and/or policy networks (Linnamaa 2002; Tervo 2002; Männistö 2002). This calls for fresh views not only on governance and policy networks themselves but also issues related to management in policy networks. Network management and/or leadership in networks are not trivial issues for the regional development officers. Instead, they are among the most demanding sets of every-day challenges for many of them.

The classical, mostly intra-organizational inspired leadership and management perspectives so dominant for more than a century in public administration and in corporate world are according to Agranoff and McGuire (1999) simply inapplicable for multiorganizational, multigovernmental, multisectoral and hence multivision, multistrategy and multivalue forms of governing and promotion of regional development. They argue further that if network management actually is, as is often argued, something different from intra-organizational forms of management, then research into network management and leadership should be increased and their conceptualization improved and accelerated. This view is supported by our empirical observations. In addition, a better understanding of cultural sensitivities is needed. Comparative studies on policy networks, their management and leadership in them, in different regions throughout the world would be important to reveal the nature of regional development processes in different contexts. This article is inherently based on the experiences of relatively small regions in a relatively small country, and hence its observations are by necessity context dependent.

The need to better understand policy networks from the actor point of view is not only an academic question. As Bruun concludes his study on bio-grouping in Turku: "the future of BioTurku is at least partly dependent on how well its actors can balance between the conflicting needs … the management of a rapidly growing network is both difficult and

risky. Investments must be made without having guarantees for success … integration, or mutual adaptation, seems to be of particular importance for successful network management." (Bruun 2002a.)

Linnamaa's analysis of the development process of information and communication technology in Jyväskylä (Finland) also reveals the roles that key individuals have played in policy networks.

> "Even if I am talking about openness and transcending borders in politics, such in process management, such a certain concentration is a good thing. As I said before, Pekka Kettunen as mayor became the symbol of the rise of Jyväskylä… a great deal of matters went through him … great amounts of information went through him. He is also one of the few people capable of envisaging larger entities splendidly. He has a view over the entire playing field." (a quote from Linnamaa 2002, 63.)

In Turku and Jyväskylä, conscious efforts to manage and lead wider networks proved to be among the key elements in the transformation processes, and according to Kostiainen and Sotarauta's (2003), and Lehtimäki's (2005) studies about the factors and forces that have laid the foundation for the economic transformation in Tampere (Finland), they have played a role there as well. Lehtimäki (2005) has studied the configuration process of the Tampere Technology Centre Hermia. According to him, "the most important element in this configuration was the set of active individuals who promoted the idea via their own networks inside and outside their own organisations".

3 Leadership in regional development

In regional development studies, there is a tendency to forget that it is always easier to find out the elements of success or failure in retrospect than to find new development paths for the future and new modes of action in the middle of uncertain and open-ended situations. It is always easier to say that social capital, networks, innovation systems and/or clusters are important for regional economic development than to actually build trust, manage networks, develop systems or construct clusters. If the research on regional economic development and regional innovation systems aim also to inform policy makers on "how to dot it all", there is a need to focus more on agency, as famously argued by Markussen (1999, 870): "…the displacement of agents and actions by process nouns entails a shift away from the study of actors, bureaus and social groups, the structures within which they operate their actions and outcomes, toward a discourse in which processes themselves become the causal agents". When aiming to bring human agency back to regional development studies, one way to do it, among many others, is to ask how people engaged

in promotion of regional development actually influence complex processes and networks, how they influence other actors and what kind of power they have.

Individual organizations or human beings are usually not strong enough to make a difference alone from regional economic development point of view, and therefore, collective leadership of complex networks and constantly evolving processes is an important factor in the emergence of something new. Leadership is often seen either as a position of authority in a social structure or as a personal set of characteristics, but as Heifetz (2003) reminds us, this is not enough. Leadership is more useful when defined as activity. Therefore, we might also say that leadership does not accomplish the mission or change the institutions or realize a vision. It is rather the force that causes the mission to be accomplished, institutions transformed and visions realized. Leaders are therefore actors who have a greater range of assets than others in the community for stretching the constraints (Samuels 2003), and hence individuals take a leadership position if they are able to influence other actors.

Leaders in regional development are individuals who have followers and who are capable of influencing their followers to produce results; thus they transform the institutions and enhance its adaptation to the changes in the environment. However, in regional development, leadership is not a straightforward question of leaders and followers. To be a leader, an actor should be able to influence the actions of other organizations, and thus also the actions and decisions of other leaders. Leading regional development efforts requires that leaders are capable of leading not only within the boundaries of the organizations and communities that authorize them, but that they consciously aim to reach organizations and communities across the boundaries to reach such spheres in which their actions and words may have influence despite having no authorization. (Sotarauta 2005; see also Harmaakorpi & Niukkanen 2007.) Our interviews indicated clearly that regional development officers are not always in these kinds of positions but to do their work properly they need to reach other people cross the organisational and other boundaries.

4 Embedded agency

Regions all over the world need to adapt to the changing global economy, and as already indicated in the introductory Chapter, transforming and reshaping of institutions to better fit the changing circumstances are usually seen to be important in these endeavours. All of this also highlights institutional flexibility as an important factor in long-term economic development (Boschma 2004). Indeed, currently it is commonly perceived that economic

development is shaped by a variety of institutional routines and social conventions (North 1994). Institutions are often seen as sources of stability and order (Scott 2001, 181). As institutional theorists see it, behaviour is substantially shaped by taken-for-granted institutional prescriptions. According to Battilana (2006, 13), in neo-institutional studies it was for a long time implicitly assumed that individuals and organisations tend to comply with the institutional pressures to which they are subject.

However, as DiMaggio and Powell (1991) note, in the final analysis, institutions are products of human agency, and from this premise institutions can be approached as outcomes of complex social processes. Streeck and Thelen (2005, 16) point out that institutions are 'continuously created and recreated by a great number of actors with divergent interests, varying normative commitments, different powers, and limited cognition'. As they also point out, institutions are shaped by both 'rule makers' and 'rule takers'. The endeavours to shape the institutional base for regional development reflect the many strategies adopted locally by relevant groups of actors aiming to break out from the past path and create new ones. The many ambitions of collaborating and/or competing actors to shape institutions for regional development are a form of 'embedded agency'. The champions of regional development are constrained by the very same institutions they aim to change (see more concerning embedded agency in, Seo & Creed 2002; Battilana 2006; Leca & Naccache 2006).

As we well know, institutions are notoriously difficult targets for conscious change efforts, and from this premise, one of the central challenges for regional development studies is to show how and why embedded actors become motivated and enabled to promote change, and to that end we also need to discover how various individuals and groups both exercise power and aim to influence. So, even though it is relatively often assumed that institutions select behaviour (March & Olsen 1996, 251-255), actors have some freedom to operate (Jessop 2004, 40), and here the reflexive capacity and capabilities of regional development officers may shed light on institutional change processes too. Their freedom to operate is often assumed to be limited in a world dominated by politics, major economic players and formal policies. In practice, at least in Finland, regional development officers aim to influence institutional change through other actors (Sotarauta et al. 2007). Jessop (2004, 47) provides further guidelines for individual level analysis by arguing that, 'strategic-relational analysis would examine reflexivity as well as recursivity. In other words, it would address agents' capacity to engage in learning and reflect institutional context, institutional design, etc.'. Locally relevant actors can shape development paths by

mobilising 'flexible institutional strategies' through an appropriate blend of structures, social capital and funding sources (MacLeod 2004, 66).

As pointed out by Healey et al. (1995), and from a different point of view also by Sotarauta and Kautonen (2007), the mobilisation of flexible institutional strategies can no longer be described as 'top-down' or 'direct and control' models. Flexible institutional strategies, however, are not easily mobilised. Strategy preferences are formed and reformed by balancing different interests and seeking third solutions. Often they emerge from dynamic processes and are thus also dependent on the logic of the situation and political judgement as to what is feasible and what is not, and therefore the question of the nature and forms of power in the context of regional development may also appear to be among the key questions in regional development studies. Flexible institutional strategies require collective action that crosses many institutional, sectoral and organisational borders. In Finland, regional development officers, with other relevant actors, are expected to mobilise these kind of strategies, and hence the issues of influence and power are important in their work. Consequently, there is also a need to see leadership in a new light. Even if leadership is often seen as a formally constituted hierarchical power, in a world characterised by inter-institutional overlaps and distributed power, and many conflicting or mutually supporting aims and policies, leadership needs to be reconseptualised (concerning leadership in regional development, see Sotarauta 2005; Benneworth 2007).

5 Framing the concept of power

5.1 The basic tenets of power

The concept of power is among the key concepts in social sciences, with its several dimensions and definitions (cf., Wrong 1997), and there is a rich array of ways in which to conceptualise and study it. Drawing on Wrong (1997, 2), power can be defined as 'the capacity of some persons to produce intended and foreseen effects on others'. Wrong (1997, 3-10) points out that the intentionality and effectiveness of power needs to be scrutinised in order to fully understand the link between power and influence. Dahl's (2005) well-known approach to power reflects this premise. He sees power as amounting to control of the behaviour of other actors. So, when an actor A is able to break the resistance of an actor B, i.e. to cause B to do something they would not otherwise do, A is able to make the target act as he/she wants in spite of the will of B (see also, Paloheimo & Wiberg 2005.)

Lukes (1986, 1) challenges the intentionality of power, and asks whether power actually is the production of intended effects as Dahl (2005) seem to indicate and as for instance Russell (1986) suggests, or is power the capacity to produce intended effects. As Lukes asks (1986, 1), 'would it not be possible to exercise power without deliberately aiming to do so'. In addition to unintentional effects, persuasion, requests, and persuasive pieces of advice and/or convincing arguments ought to be included in the elaboration of power (Lukes 1986, 2; Wrong 1997). And, as famously noted by Foucault (1980) and Parsons (1986), also the power of social systems and structures are essential elements in studies of power. Foucault (1980) has maintained that, 'power is everywhere ... because it comes from everywhere'. He speaks about covert power that works through people rather than only on them. Foucault claims that belief systems gain power when groups of people accept a belief system and take it for granted. These belief systems define the arena for many actors, affect institutional design, and are often institutions in themselves (Foucault 1980).

Innes and Booher (2000) argue on their part that the old forms of power are fading away because they are increasingly ineffective for the interests that hold them (Innes & Booher 2000), and according to Castells (1997, 359) 'the new power lies in the codes of information and in the images of representation around which societies organise their institutions and people build their lives and decide their behaviour'. Allen (2003, 60-64) rejects the idea of power flows but not networked relationships of power, and sees power as relational effect of social interaction (Allen 2003, 2). Bryson and Crosby (1992, 13) define shared power as 'shared capabilities exercised in interaction between or among actors to further achievements of their separate and joint aims'. As is obvious in the many fields of regional development, no one is in charge alone in most matters crucial for development. No single agency or leader is able to solve the problems, or even define them alone, or promote regional competitiveness without co-operation and co-ordination.

5.2 Three views on and six bases of power

In a way, Lukes (2005, 29) links the more straightforward views on power to 'foucaultian' notions of power by seeing power as a three level entity. The *first view* (one-dimensional) contains a) behaviour, b) decision-making, c) key issues, d) observable conflict, and e) (subjective) interests seen as policy preferences revealed by political participation. It is a measure of the outcomes of decisions. The *second view* (two-dimensional) is based on qualified critique of behavioural focus. It contains a) decision making and nondecision-making, b) issues and potential issues, c) observable (overt or covert) conflict, and c)

(subjective) interests seen as policy preferences or grievances. The *third view* (three-dimensional) includes a) decision-making and control over political agenda (not necessarily through decisions), b) issues and potential issues, c) observable (overt or covert), and latent conflict, and d) subjective and real interests (Lukes 2005, 29). The third view stresses that shaping preferences via values, norms and ideologies is a form of power too, and that all social interaction involves power because ideas operate behind all language and action. The third view also includes ideas or values that ground all social and political, and hence also, for example, religious ideals (Christianity, secularism) and self-interest for economic gain. All the features of the third view become easily routine and therefore actors do not consciously 'think' of them. This is the way in which political ideologies inform policy making without being explicit (Lukes 2005), and this may be the reason why much of the regional development activity is aimed at shaping institutions, i.e. those factors that shape regional development without most of us even noticing it.

The combined effect of Lukes' (2005) three dimensions may be realised in the way that power blurs the dividing line between rationality and rationalisation, and manifests itself as highly context-dependent, as shown to us by Flyvbjerg (1998, 227-229). Rationality is penetrated by power, and therefore, as Flyvbjerg maintains, rationalisation presented as rationality is often a principal strategy in the exercise of power. The front may be open to public scrutiny, but in the backstage, hidden from public view, power and rationalisation dominate, and there the forms of power raised in Lukes' third dimension may be consciously constructed and utilised. This kind of rationalised, and socially and conveniently constructed front does not necessarily imply dishonesty. It is not unusual to find individuals, organisations, and whole societies actually believing their own rationalisations (Flyvbjerg 1998, 227-229).

In their classic study of power, social psychologists French and Raven (1959) categorised power into five different bases or resources that power holders may rely upon. They divided later expert power into two modes of power, i.e. informational and expert power. Although this categorisation is based on organisation level analysis conducted decades ago, in different time and context, it still offers a useful frame of contemplation.

Legitimate power

- Power of an individual based on the relative position and duties of the holder of the position within an organisation.
- Formal authority delegated to the holder of the position.

Referent Power

- Power (or ability) of individuals to attract others and build loyalty.

- Based on the charisma and interpersonal skills of the power holder.

Expert Power (this type of power is further broken down later on as Information Power)

- Individual's power deriving from the skills or expertise of the person and the organisation's needs for those skills and expertise.
- Unlike the other powers, this type of power is usually highly specific, and is limited to the particular area in which the expert is trained and qualified.

Information Power

- People with this type of power are well-informed, up-to-date, and also have the ability to persuade others.
- The difference between expert power and information power is subtle. One difference may be that people with Expert Power are perceived through their image of expertise to show credibility (i.e. a qualified doctor in a doctor's uniform), while one with Information Power does not have a strict need to 'look the part of a professional', but they must keep up to date with latest knowledge in their field, and have confidence in debating or in persuasion.

Reward Power

- This mode of power depends upon the ability of the power wielder to confer valued material rewards. It refers to the degree to which the individual can give others a reward of some kind.
- This power is obvious, but also ineffective if abused.

Coercive Power

- This form of power means the application of negative influences onto employees. It might refer to the ability to demote or to withhold other rewards. It is the desire for valued rewards or the fear of having them withheld that ensures the obedience of those under power.
- It tends to be the most obvious, but least effective, form of power, as it builds resentment and resistance within the targets of Coercive Power.

(French and Raven 1959; adapted from Wikipedia, 26 June 2008)

The above categorisation is a useful tool in the analyses of power, but, as Flyvbjerg (1998) has empirically demonstrated, power manifests itself in a relational and dynamic manner in time and space. His study of town planning practices and processes in Aalborg reveals the dense and dynamic net of omnipresent power relations. In his detailed analysis, Flyvbjerg shows how invisible mechanisms of the practical forms of power shape the course of events and social networks. In a foucaultian manner, he claims that these power mechanisms are relatively independent of who holds power and who governs. Flyvbjerg's (1989) 'strategic-and-tactics approach' challenges 'who governs' (Dahl 2005) oriented studies that commonly see power as an entity, and hence it covers a wide spectrum of influence tactics in use over extended periods of time.

Flyvbjerg argues also that the relationship between power, knowledge and rationality ought to be seen in a more pragmatic light. Therefore, he maintains, attention should be directed more towards *the rationality of power* than *power of rationality*. His view is that power defines rationality; power concerns itself with defining reality rather than with discovering what reality 'really' is. This does not imply that power seeks out rationality and knowledge

because rationality and knowledge are power. Rather, power defines what counts as rationality and knowledge, and thereby what counts as reality (Flyvbjerg 1989, 227). For these reasons, perhaps, regional development officers are often keen on becoming parts of the process which brings together agents, enables information to flow, builds trust and reciprocity, represents interests, connects networks, and mobilises action (Innes & Booher 2000).

Power is a potential to influence, it is a latent resource that needs to be freed and utilised by means of other processes. Influence is here defined as a process in which the actor drawing on his/her latent resources by interaction skills and other social skills makes other actors see things, people, functions, etc., differently from before and as a result do something that they would not otherwise do. In any case, regional development officers need power to influence, but the question is, what kind of power?

6 Data and methodology

The target group of this study, regional development officers, is a heterogeneous group of people who work for local and regional development at a) the *local* level, i.e. in the Finnish local government (municipalities are active in developing themselves, either alone or in co-operation with neighbouring municipalities), technology centres, Centre of Expertise Programmes, and other locally organised development programmes; b) at the *regional* level, i.e. in the Regional Councils (local government development agency at the regional level), Employment and Economic Development Centres (state development agency at the regional level), and c) at the *national* level, i.e. in the Ministry of the Interior[1] (responsible for regional development at the national level), the national steering group of the Centre of Expertise Programme, and the Finnish Science Park Association.

The study comprised four main phases. The first phase was a literature review of leadership and power in regional development. In the second phase, 41 regional development officers were interviewed. The average duration of the interviews was 70 minutes, the longest interview lasting three hours and the shortest one 40 minutes. Seven of the interviewees represented national level RDOs, and the remainder were from local or regional development agencies. The interviewees were from different regions of Finland, and they were directors or development managers in the above mentioned development agencies. In the interviews, a theme interviewing technique (cf., Hirsjärvi & Hurme 1995)

[1] In 2008 the national responsibility for regional development was moved to the newly established Ministry of Employment and Economy.

was applied, and the themes were: a) duties and functions an interviewee is responsible for, and division of labour in a given organisation, b) directing of various operations, i.e. where does the vision and objectives guiding the work come from; c) resources and the position of the given organisation and the interviewee in wider policy networks; d) personal networks and collaboration patterns; e) knowledge and learning, i.e. what are the most important sources of information and knowledge, as well as the key learning forums; f) a discussion about the previous weeks schedule of the interviewee, what did he/she do, why, with whom and for what purpose. In all the above mentioned themes the aim was to find answers to such questions as: who influences whom and how in the name of regional development; what the person in question actually does to influence other actors and how he/she sees the other actors influencing her/him.

In the third phase of the study, an Internet survey was carried out. The survey was designed based on the insights gathered during the first two phases in order to solicit information about power and influence tactics in the context of regional development. In addition, competences needed in the development work and various bottlenecks in their daily work were probed, but they are not discussed here. The results of the survey were cross-analysed with the interview data.

TABLE 1. Response rate by organisation types

	Sent	*Received*	*Share of all respondents (%)*	*Responses %*
Regional Councils	197	113	21.3	57.4
Employment and Economic Development Centres	123	53	10.0	43.1
Tech. centres / Reps. of Centre of Exp. Programmes	219	69	13.0	31.5
Local development agencies (incl. municipalities)	422	256	48.2	60.7
National actors	65	28	5.3	43.1
Others		12	2.3	
	1026	*531*	100.0	**51.8**

7 The position of regional development officers in Finland

In Finland, the Regional Development Act of 1994 attempted explicitly to create a system that first of all suits the EU's regional policy framework, but that also increases the influence of local and regional level actors, improves the concentration of various regional development funds by programming, and increases co-operation between key-actors. Therefore, since the early 1990s there has been a move away from understanding regional development policy-making as a straightforward decision-making and planning process

proceeding from policy design to decision-making, and finally to implementation, towards comprehending policy as a multiagent, multiobjective, multivision and pluralistic process, in which the actual policy is shaped continuously in close co-operation with various parties. The coevolutionary nature of policy-making is not limited to horizontal relationships, but rather it reaches also into the vertical dimension of policy-making. Sotarauta and Kautonen (2007) demonstrate how local developments and policies in Finland have earlier fed into larger developmental patterns, making it possible to talk about the co-evolution of national and local developments rather than simply about top-down or bottom-up policies.

In the new mode of governance, new partners are constantly sought, coalitions formed and dissolved at all levels of action, and hence such questions as what is to be done, and how, are constantly negotiated and communicated in various forums. In the 2000s, this kind of approach has become fairly well institutionalised within the Finnish regional development practices. Its every day practice, however, is constantly sought for, and it seems to be evident that even though the new more interactive development approach has made the Finnish regional development policy system more active and dynamic than it was in the 1980s, the new modes of action have also raised many new challenges. All in all, in Finland, both by definition and in practice, the institutional promotion of regional development is based on shared power between various state authorities and between central and local government, and thus in practice there is a wide network of actors that are dependent on each other. For these reasons, power and influence emerge as crucial objects of study.

The complexities caused both by globalising economies and new modes of governance call for new competencies also at individual level, the effectiveness of regional development efforts being more dependent than before on regional response capacity. Regional development officers, the only professionals of a comprehensive development approach in their regions, have been required to learn new capabilities, and especially new ways to earn such social positions in wider networks that might enable them to influence regional development with, by, and through other actors. The RDOs of today need to understand the logic of complex constantly evolving systems involving a diverse range of actors in an endless series of social networks.

The interview data, for its part, strengthened the view that regional development policy in Finland is nowadays based on a network-like mode of action in which several interest groups take part and in which there are many kinds of policy networks crossing the organisational, regional and institutional boundaries. Our interviewees talked extensively

about complex networks; they stressed the need to create them, to understand them, and to function in them. In the interviews it also became evident, as also Kickert et al. (1997) point out, that there is no 'third party' controlling the network, but rather there is a process controlling itself, being full not only of enthusiasm and efforts to find new solutions but also confusion due to incoherence and conservatism.

Earlier case studies on policy networks and network management from such Finnish regions as North Ostrobothnia (Jurmu 2007), South Ostrobothnia (Linnamaa & Sotarauta 2000; Linnamaa 2004), Päijät-Häme (Harmaakorpi & Niukkanen 2007) and Tampere region (Sotarauta et al. 2003) show how regional development officers would like to have, one way or another, better directed and co-ordinated networks for regional development. They also show that RDOs in these regions are relatively incapable of expressing themselves clearly on how networks ought to be managed and led. They have a hard time positioning themselves in a new situation, but all in all, they would often like to change organisational institutions and to change major non-organisational institutions such as conventions, mind-sets, interaction patterns, etc., that create lock-ins. Drawing on our interview data, it can be concluded that networked promotion of regional development is shaped by the following circumstances:

- the core coalition of a region, its composition, and the social and economic backgrounds of its members;
- the nature and functionality of wider strategic policy networks in a region, and the character of relationships between its members;
- the roles that leading persons and the coalition formed by them are playing in the wider policy networks, and especially their relationship to national and international decision- and policy making; and,
- the resources and competences that network members bring to the network.

The interviews also aimed to expose the daily activities of individuals engaged in regional development. Most of the interviewees divided their personal operational environment into four independent but overlapping categories: a) one's own organisation, b) the regional policy system, c) formal policy networks, and d) informal networks. The organisation that pays the salary and to which one is accountable is of course important to any development officer and a self-evident determinant in how people behave and aim to influence the course of events. The national and European development systems were seen as an institutional framework that both enables and constrains regional and local efforts. Interestingly, if an organisation was seen as a home base and the system as one of the main playing fields and a source of resources, networks were seen as channels for new ideas, information, resources, insights, and effective implementation.

All the development spheres briefly raised above are important in the daily work of RDOs. It is worth noticing, however, that the rules, norms and codes of behaviour tend to be different in the different operational environments identified above, and our interviewees constantly stressed the importance of the abilities to combine informal to formal, and vice versa. From the individual point of view, the Finnish promotion of regional development appears as a more or less connected series of processes and networks that often are fairly indistinct, and are difficult to read and make sense of. In the words of an RDO from a regional council:

> There is a formal and informal world [in promotion of regional development] … it is a continuous process of communication, what's up in your organisation, and what they are planning over there, what issues are emerging, and things like that … and then we have the formal side of the coin. We have several official groups in which we discuss all this through. We have politicians; it is important to discuss what they want, what their will is. And the officially binding decisions are made, official strategies … But, but, if we had only these official meetings, nothing would happen, they don't create co-operation, or proper philosophical discussions about what this is all about. A huge amount of background work is required to create something new, nobody gets credit for that, it takes a lot of time from everybody involved. People can't even see this kind of hidden work but without it no official decisions would be made.

Also, the significance of knowing first and foremost people and only second the organisations they represent was emphasised. To pull new ideas through a network, one needs to identify and locate the right people for it. One development director of a major Finnish city described the situation by noting:

> In all these [organisations involved in regional development efforts] there are such persons who want to do more, who are willing to reach beyond their own work and to discuss, develop, think how to change this region. They are willing to take the responsibility, to be involved … So, it is not possible to say that certain kinds of organisations are more important than the others [in official promotion of regional development] but that certain people are the key.

Regional development officers strategise and organise, and hence they aim to mobilise the resources and competences external and internal to the region to promote some issues that are believed to be important to the region. In this work their position derives from their seniority, the status of the agency that they are working for and their expert status, and all this determines the network status of an individual RDO. The proposition is that network status is among the core conditions for effective use of power.

8 Influence tactics used by regional development officers

In this Chapter the survey data is employed to identify the general level dimensions and features of tactics that regional development officers use in their efforts to influence other actors.

Regional development officers stress the indirect methods of influencing. Most of the respondents (94.5%) regarded constructing an atmosphere of trust as an important way to influence other actors, and hence also regional development. If trust was highly stressed, so was organising capacity; 89.6% of the respondents stressed the importance of organising development work more efficiently. Taken together, all the influence tactics regarded as important are, in one way or another, indirect in nature; strategy work, influencing communication and removing its obstacles, acting as a role model, etc., were emphasised by most of the respondents. What is interesting is that various institutional and direct ways to influence were not seen as important as more indirect tactics. According to the survey, regional development officers do not rely much on delegating their own responsibilities to the other actors: provocation, invoking the regional development acts and/or development programmes, or the sense of responsibility of the key decision makers were not seen generally as important means of influence (for more, see Table 2).

In institutional promotion of regional development, Lukes' (1986) two first views of power are usually emphasised; the policy institutions value powers to act and decide, as well as the design of new institutions and strategies. The interview and survey data indicate, however, that from the RDO point of view inducing is a more important tactic than straightforward formulation of strategies not to mention coercion. RDOs see regional development as a subtle process, essential to which is the renewal of behavioural models, attitudes, and beliefs. Their view, based on their own experience, is rather foucaultian in nature and stresses clearly Lukes' third view. RDOs use many different kind of influence tactics, but first and foremost they rely on communication, interaction and social skills.

TABLE 2. Answers to the question: 'In promotion of regional development, it is necessary, one way or another, to be able to mobilise the resources and competences of several organisations into the same direction. Assess, based on your own experiences, what measures are important in the efforts to influence other actors in the name of regional development' (%)

	5. Very important	…	3. Fairly important	…	1. Not important at all
Constructing an atmosphere of trust (n=531)	73,4	21,1	4,9	0,4	0,2
Organising development work so that the roles of individual actors are clear (n=529)	51,8	37,8	9,3	0,9	0,2
Binding functional relationships with influential persons (n=528)	52,7	36,4	9,5	1,3	0,2
Acting as a role model for other actors (n=531)	45,4	41,8	11,9	0,6	0,4
Channelling development funds controlled by one's own devel. agency (n=529)	42,2	43,5	13,0	0,9	0,4
Creating a vision to guide development activities of several actors (n=531)	42,7	35,2	18,5	3,4	0,2
Removing communication obstacles between actors (n=528)	34,1	40,5	21,0	3,8	0,6
Affecting general atmosphere via media (n=527)	29,6	43,6	21,6	4,7	0,4
Presenting alternative views on futures, and promotion of regional devel., thus influencing other actors (n=528)	28,6	43,0	23,5	4,5	0,4
Raising differing viewpoints and bottlenecks into the development oriented discourse (n=528)	25,8	43,0	23,9	6,6	0,8
Discussing with other actors before renewing one's own strategy (n=526)	22,8	44,3	25,1	7,2	0,6
Providing other actors with new opportunities (n=528)	18,2	47,3	26,9	7,2	0,4
Providing other actors with expert help (n=529)	13,4	47,3	32,1	6,4	0,8
Arbitrating conflicts that complicate development work (n=529)	22,7	35,9	31,4	9,1	0,9
Organising collective strategy-making processes (n=527)	18,4	39,8	29,6	11,6	0,6
Encouraging other actors in public speeches and/or written pieces (n=527)	13,5	41,2	33,2	11,6	0,6
Increasing the level of expertise by organising education (n=530)	11,9	35,7	40,2	11,7	0,6
Organising open communication sessions (n=527)	12,5	33,8	37,6	15,7	0,4
Activating new actors to participate in the official development work (n=530)	9,6	33,0	40,4	15,5	1,5
Influencing other actors by production of new information (n=526)	0,0	20,5	48,3	25,7	5,5
Invoking the sense or responsibility of the key-actors (n=527)	3,4	16,9	31,7	37,0	11,0
Invoking legislation and/or official development programmes (n=526)	5,5	14,3	34,0	36,9	9,3
Getting other actors out of their comfort zone by provocation (n=527)	2,7	12,9	26,8	44,0	13,7
Delegating one's own responsibility to other actors (n=521)	2,1	9,6	18,4	39,3	30,5

Table 2 provides us with a detailed view of the influence tactics that RDOs regard as important in their work. To gain a more focused view on these influence tactics, the data was grouped and four new sum variables were created. These are: construction of context for co-operation, direct activation of actors, indirect activation of actors, and strategy work. They were first of all identified with content analysis of the interview data and were verified with a combination of confirmatory and exploratory factor analysis (see more in detail Sotarauta et al. 2007). The new sum variables to measure influence tactics and core variables included in the new variables were constructed as follows:

- **Construction of context for co-operation**
  - Arbitrating conflicts that complicate development work
  - Removing communication obstacles between actors
  - Organising development work so that the roles of individual actors are clear
- **Direct activation of actors**
  - Invoking legislation and/or official development programmes
  - Invoking the sense of responsibility of the key actors
- **Indirect activation of actors**
  - Encouraging other actors in public speeches and written pieces
  - Presenting alternative views on futures, and promotion of regional development, thus influencing other actors
  - Influencing other actors by production of new information
  - Affecting the general atmosphere via the media
- **Strategy work**
  - Creating a vision to guide development activities of several actors
  - Organising collective strategy making processes

These new sum variables[2] clearly show how regional development officers appreciate indirect influence tactics more than direct ones. The average of construction of context for co-operation is 81.0, and strategy work is 78.1. Indirect activation of actors remains at a somewhat lower level, the average being 76.5. The average of direct activation of actors is as low as 53.4 (see Figure 1).

[2] ((v1+v2+vn)/n)*20

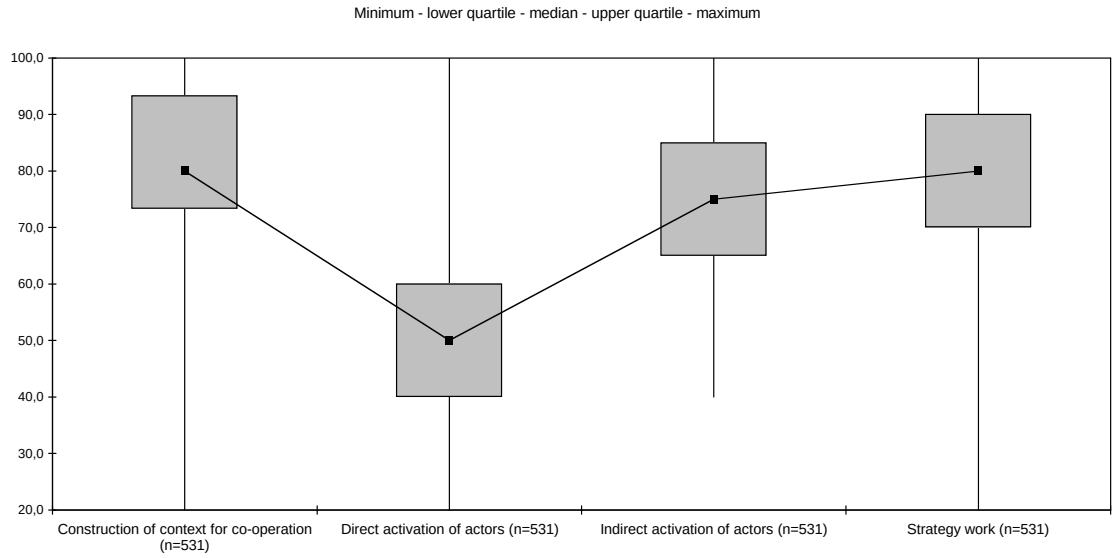

FIGURE 1. Generic influence tactics used by regional development officers

What was striking was the fact that it was not possible to find statistically significant differences between influence tactics and regions, organisation types, seniority and position in one's own organisation. Regional development officers were surprisingly unanimous on how to influence.

9 Power possessed by regional development officers

Drawing both from the survey and interview data, this Chapter focuses on the resources of power. The survey data shows that the Finnish regional development officers consider information and networks as their most important resources of power (see Table 3). Networks were stressed both as resources of new information and as an important support factor in pulling various ideas and initiatives through decision-making processes. Among the next most important resources of power was such expert information that enables RDOs not only to convince decision makers of the importance of required changes, but also of the personal role of the RDOs themselves in the development process. The most important resources of power support the above view that influence is indirect in nature. Such direct resources of power as an official institutional position, a power to change institutions governing the development activities, or an official position in designing regional development strategies and/or development programmes, were not seen as particularly important. Here it is important to keep in mind that those RDOs who responded to the survey are not those who always have power to act and decide, and

therefore their approach is to influence legitimate power holders of the entire regional development system, local government, the corporate world, and/or academia.

TABLE 3. Answers to the question: 'Assess what factors are important in your own work when you try to influence other actors in the name of regional development' (%)

	5. Very important	…	3. Fairly important	…	1. Not important at all
Such personal networks that provide me with new information (n=530)	44,0	42,6	12,1	1,1	0,2
Such personal networks that enable me to pull initiatives through (n=528)	41,9	44,5	11,7	1,7	0,2
Such expert knowledge that enables me to convince the key persons of changes needed (N=525)	42,5	41,4	13,7	2,3	0,2
Such expert knowledge that enables me to convince the key persons of my own role in the development work (n=527)	24,8	41,7	22,7	9,0	1,9
New concepts, models and thinking patterns that make other actors see things differently (n=529)	27,6	38,6	25,3	7,6	0,9
Respect of the other actors towards my expertise (n=529)	17,4	40,3	30,8	9,5	2,1
Enough time and money to achieve objectives set for me (n=529)	21,4	34,0	32,5	10,2	1,9
Good relationships with representatives of the media (n=528)	19,5	34,8	33,7	9,5	2,5
Power to decide how regional development funds are used (n=529)	16,8	37,1	29,9	11,5	4,7
Authority to reward other actors for work done for the region (n=529)	7,6	28,0	35,2	22,1	7,2
Official position that provides me with authority to change the ways the development work is organised (n=525)	9,5	25,9	34,9	20,6	9,1
Official position that provides me with authority to organise official strategy processes (n=527)	10,6	23,7	34,2	21,6	9,9
Official position that provides me with power to change institutions guiding development work (n=526)	6,1	21,7	32,1	28,9	11,2
Official position that provides me with power to demand that other actors act differently (n=530)	5,8	15,8	31,7	34,2	12,5

Table 3 provides us with a view of the resources of power that RDOs regard as important in their efforts to influence the actors for regional development. As with influence tactics, a more focused view on the resources of power was aimed at by grouping the data and creating four new sum variables. These are: interpretive power, network power, institutional power, and resource power. They were identified in the same way as in the case of influence tactics. The new sum variables measuring resources of power and the variables included in the new variables are as follows:

- **Institutional power**
  - Official position that provides me with power to demand that other actors act differently

- Official position that provides me with power to change institutions guiding development work
- Official position that provides me with authority to organise official strategy processes
- Official position that provides me with authority to change the ways the development work is organised

- **Interpretive power**
  - Such expert knowledge that enables me to convince the key persons of changes needed
  - New concepts, models and thinking patterns that make other actors see things differently
  - Such expert knowledge that enables me to convince the key persons of my own role in the development work
- **Resource power**
  - Power to decide how regional development funds are used
  - Authority to reward other actors for work done for the region
  - Enough time and money to achieve objectives set for me
- **Network power**
  - Such personal networks that enable me to pull initiatives through
  - Respect of the other actors towards my expertise
  - Good relationships with representatives of the media
  - Such personal networks that provide me with new information

The most important forms of power that RDOs need are interpretive power and network power. The median of both of these forms of power is 80.0, and most of the respondents considered these as the most important forms of power in their own work. Interpretive power was regarded as slightly more important than network power. The average of sum variable measuring interpretive power was 82.4, while in the case of network power it was 77.7. The average of resource power was 66.7, and institutional power remained as low as 58.0. RDOs are fairly unanimous in that possibilities to affect other actors' thinking and networking exceed resources and institutions in importance (Figure 2). As was the case with influence tactics, it was not possible to find statistically significant differences between resources of power and regions, organisation types, seniority and position in one's own organisation.

This categorisation of powers differs somewhat from the categorisation of French and Raven (1959). Institutional power is a combination of legitimate power and reward power, but not coercive power. The interviewees unanimously shared the view that coercion only leads to exclusion from all the important networks. Interpretive power is closely linked to information power, but highlights the importance of creating new mindsets and ways of seeing various issues. Expert power and referent power are not separately raised here, but they were extensively discussed in the interviews. They are scarce resources among RDOs, and the interviewees saw that referent and expertise power are the outcomes of the four

sets of power raised here. French and Raven (1959) did not mention network power, but in the early 21st century it emerges as highly important and can be interpreted as one dimension in a wide debate on social capital.

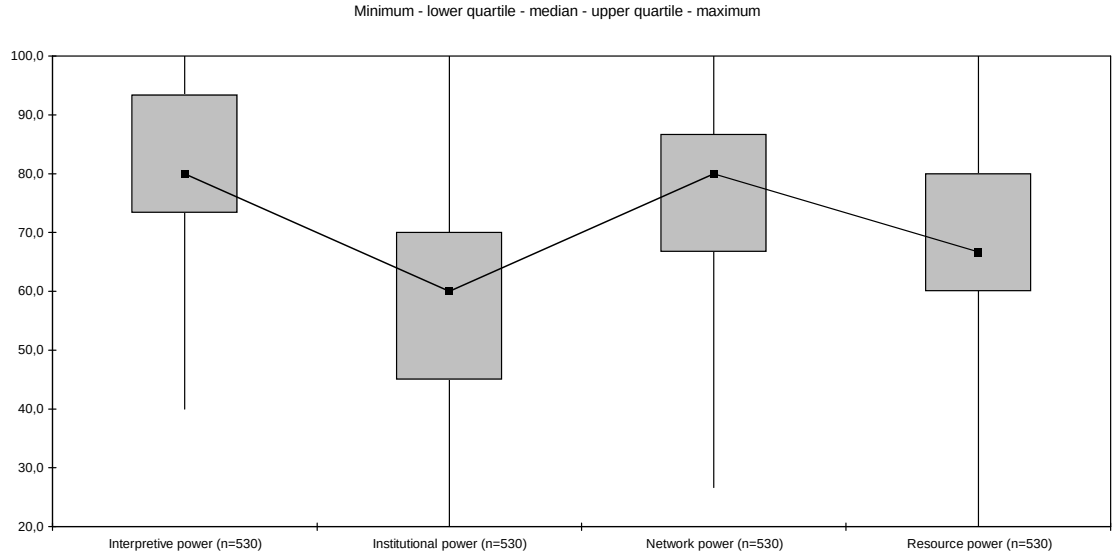

FIGURE 2. Generic forms of power and their importance in the work of regional development officers

The combination of interpretive and network power seems to be a way in which to mould the preferences of the other actors. Promotion of regional development, being a struggle between visions, development ideas and interests, those actors who are able to draw the attention of other actors and frame the thinking are indeed influential. In the interviews, regional development officers talked intensively about mindsets, thinking patterns, perceptions, information, knowledge creation and other issues that are related to interpretive power. They saw that, if regional development and its institutions are to be transformed, they themselves need to be able to affect a) the ways in which other people see the world (what it is like), b) how knowledge is acquired and justified, and c) what values dominate the development work (see also, Niiniluoto 1989). Interestingly, the ambition of many of the interviewed RDOs is to change the deep structure of social and economic activity so as to create a better fit with the changing economic environment.

Overall, regional development officers are working to create a new context and interpretation for the economic development of their respective regions, and hence they work 'to build a new plot for a development play', as one of the interviewees put it, and therefore they support the importance of Lukes' third dimension and foucaultian ideas of power being everywhere. All this also stresses the need to keep abreast of activities and developments in order to draw attention and raise strategic awareness. 'When one has

learnt a new vocabulary and way of seeing things, it is easy to communicate everywhere and to interact with people, our way of doing and our way of talking being a bit different, it is easy to draw attention' [Development manager in a town government].

For these purposes, regional development officers need to recognise dominant discourses and especially the dominant interpretations guiding the promotion of regional development, and to launch a new dialogue that might lead to a new hegemonic discourse on needed changes and measures in the region. Leading by interpretation is crucial, because actors need shared mental models to make sense of the ambiguous world and complex networks (Henry & Pinch 2000, 136). Therefore, RDOs aim to seek differences and similarities in actors' interpretations, acting in order to synthesise different interpretations and goals derived from them. They also aim to change and/or unify actors' interpretations of the region, its institutions, policy networks, etc. (see also, Klijn & Teisman 1997). In practice, RDOs are convening actors for dialogue, they mediate information and also create new knowledge; they interpret, for example, academic thinking and talk to firms, and vice versa. All this both requires interpretive power and builds it. Interpretive power is fairly invisible by nature. It does not refer to efforts to seek consensus, but to an effort to create soil for shared thinking and joint efforts to transform the institutions for future. Power to frame issues discussed, to lead sense-making processes and hence to influence what issues are on the agenda and what are not, and hence also who are involved in the communication roundabout brings a significant amount of power to an actor who can actually do all this. As one of the interviewees, a development director in a city government, put it: 'If you really want to influence, you must talk and talk, at least for two years. It takes two years to pull a new idea through this community, and people then start realising what the situation is and what should be done and they want to participate'.

To summarise, it is possible to argue that regional development officers may achieve a strong position in policy networks if they can create a new vocabulary and a new way of seeing the region and its core activities, and if they can influence the prevailing perceptions. All this is also important in the use of network power that was strongly highlighted in the interviews as well. The interviewed RDOs stressed particularly the significance of informal and personal contact networks as resources of new information and credibility. One of the interviewees crystallised the importance of one of the key dimensions of networks by arguing 'when one knows the national-level decision makers personally, it brings you authority and prestige in your own region'.

Neither interpretive power nor network power appears overnight, gaining them is a long process. It requires personal interaction with key people locally, regionally, nationally, and often also internationally, and it also requires conscious building of trust. Genuine trust and reciprocity is the core factor in long-term collaboration (Innes & Booher 2000, 19). Innes and Booher (2000, 21) argue further that if only the preconditions for trust are in place, the actors need no prior knowledge of each other for co-operation. RDOs aim to create these conditions, and to connect people with substantive knowledge and expertise important for the region, and this is the way in which they believe they can boost regional development.

10 Discussion and conclusions

The Finnish regional development officers are not able to rely as much as is often believed on the authority brought to them either by their own formal position, status or financial resources. This study reveals the indirect nature of influence when it is studied at the individual level. The main influence tactics are indirect in nature, indirect activation of actors and strategy work being the main tactics. It is not the authority of the organisation that regional development officers are working for that induces compliance, but instead quite often it is the content and style of the communication that counts, and this is independently evaluated and accepted by the other actors. Their expert power is rather based on dialogue and interaction skill as much as on their expertise in substantial matters, and therefore their power is 'power to' by nature and to much lesser extent 'power over'. The former stresses collective and integrative action by being based on enabling, while the latter refers to instrumental abilities to gain influence at the expense of the others (Allen 2003, 51-52).

The study reported in this article shows, first of all that regional development officers are not in a position to break the resistance of other actors or use coercive influence tactics, and therefore they are required to induce, or rather 'seduce', other actors towards something new, towards unknown territories and to be involved in collective development efforts. This may be due to the ways in which regional development officers are embedded in the whole set of institutions shaping regional development activity. They do not, on the one hand, have adequate resources to make a difference directly, nor on the other hand the motivation to risk their own position in the organisation, development system and official policy networks. This is connected to the second general observation that regional development officers do not have power to limit the alternatives of other actors, or even

reasons to do so. Their mission is to multiply the opportunities and alternatives for other actors, and thus boost regional development overall; therefore they rather aim at creating the context for collective action than aim directly to direct the course of actions and events. In addition, RDOs work to make new opportunities so alluring that other actors want voluntarily to participate in the development efforts. Third, regional development officers do not aim to change preferences of the main actors, but they aim to combine individual aims of individual actors (organisations and sometimes also individuals) to collective, regional aims and objectives, and hence they aim to remould preferences, mindsets, and the ways that relevant actors would see the needed changes and their own role in a new light.

Fourth, regional development officers have learnt that invoking solely on statutes, official development programmes and other formal forms of regional development, are not among the best ways to proceed in the networked knowledge economy. Their work is first and foremost people oriented; regional development officers of today are not in a position to rely solely on existing institutions, skilful analyses or brilliant plans. They are required to approach regional development with, by and through other people, and this has a clear effect on the ways in which they aim to influence and the kind of power they draw on and build.

To increase their own capacity to influence, regional development officers need to learn from their own and other agents' goals and strategies in the course of many conflicting and complementary processes, to locate possible partners, and to convince them to become in some way involved in development partnerships or otherwise to contribute to the development efforts. All of this serves to highlight the reasons why network power and interpretive power have become central in the regional development activity; they are essential latent resources of influence. Those actors having network power can utilise the resources and competencies of their partners, bring actors together, remove obstacles hindering communication, set the agenda, resolve conflict, enable information flow, build trust, link different matters to each other, orient people to their places and roles, inspire, excite, and so forth. And those actors having interpretive power can shape prevailing interpretations and give new meanings to existing knowledge and information, create new interpretations (symbols, identities, etc.), direct attention to certain issues and direct it away from others, have control over the flow of information, frame issues, envision futures and how a desired future might be realised, identify the vision that exists implicitly, communicate about it and reformulate it, and link different matters to each other.

In spite of being useful concepts in the analysis of contemporary regional development, regional innovation systems, clusters and other related concepts do not sufficiently reveal the micro-level dynamics of regional development policy. We do not know well enough who attacks the old institutions and creates new ones, and how they actually do it. In order to inform better policy-making, we should know more what people actually do to change institutions for regional development, influence other actors and thus promote development in their respective regions. And here leadership, and related concepts, might provide us with an additional approach to complement the conceptual tool kit traditionally used in regional development studies. This might prove useful not only in our endeavours to understand what people do in order to achieve regional development, but also in our ambition to understand better the forces and strategies of endogenous development processes.

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