

# The local capacity to act and leadership

Why do some localities succeed while others fall  
behind in the geography of opportunities?

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## Argument

The differing local capacities to act, leading to spatial differentiation have not been adequately examined

# The research questions



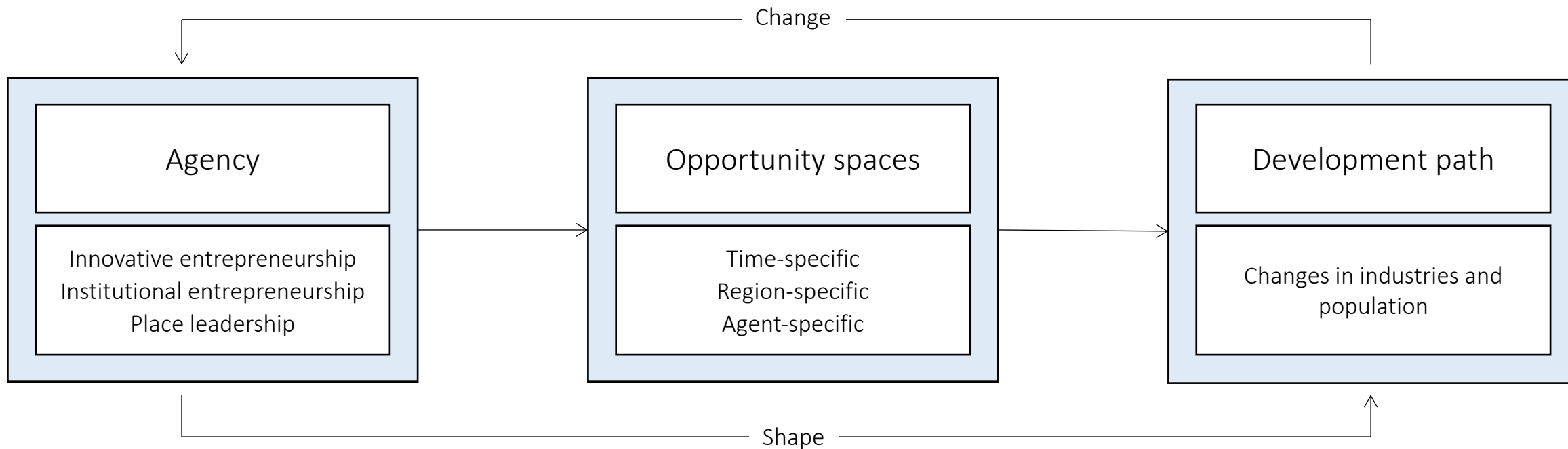
Why can some localities connect to emerging opportunities while others fall behind?



What are the critical assets in different regions to construct opportunity spaces?



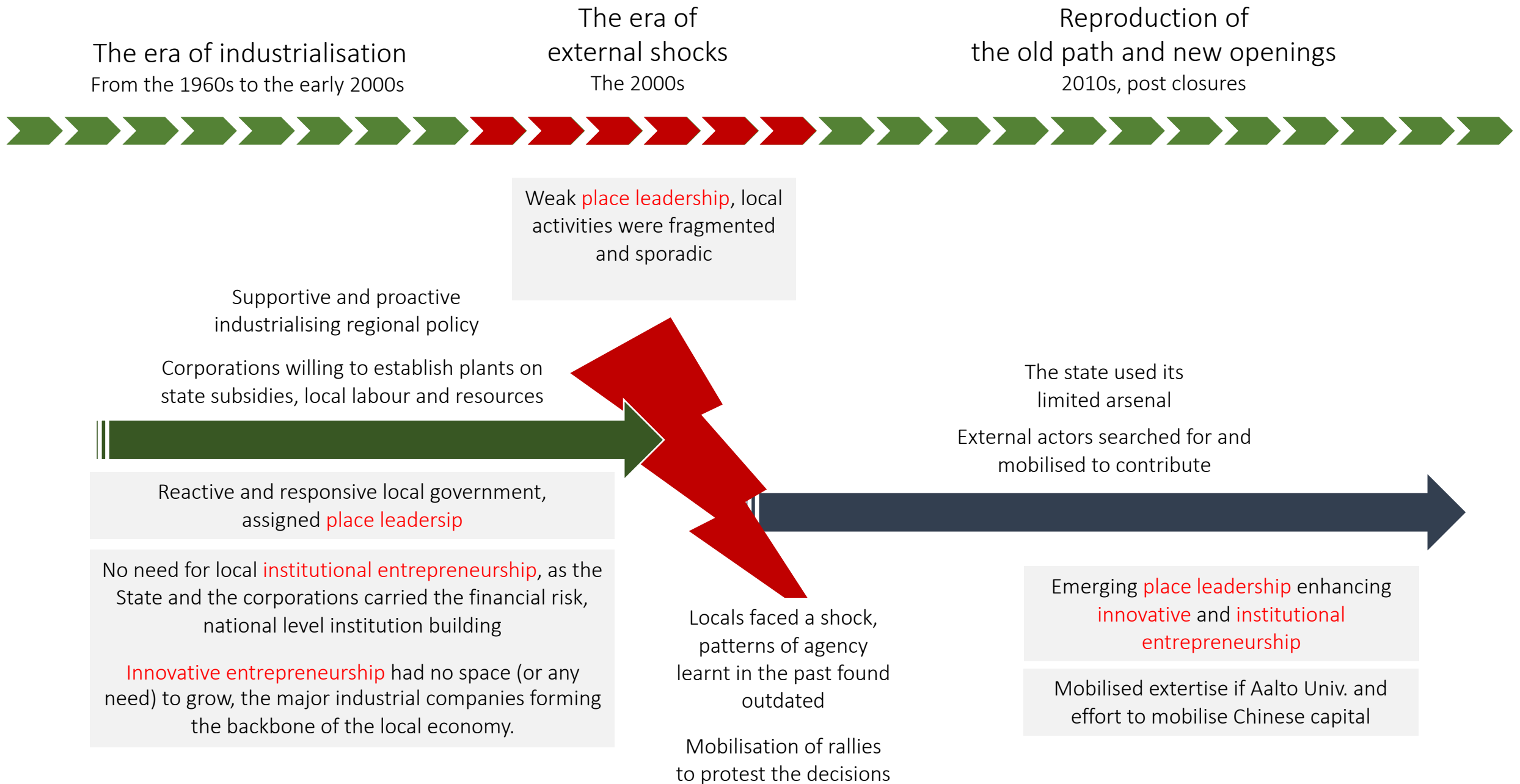
How do localities mobilise assets to construct and exploit opportunities?



## A Crisis - Eastern Lapland, Finland

- Population 17,000 people
  - Decreased by 31% from 2000
- Earlier pulp/paper industry and electronics manufacturing
  - Closure of Orion pharmaceuticals (2002), Salcomp electronics (2004) and Stora Enso (2008)
- Low number of SME's, growing tourism
- High unemployment rate







# Jakobstad

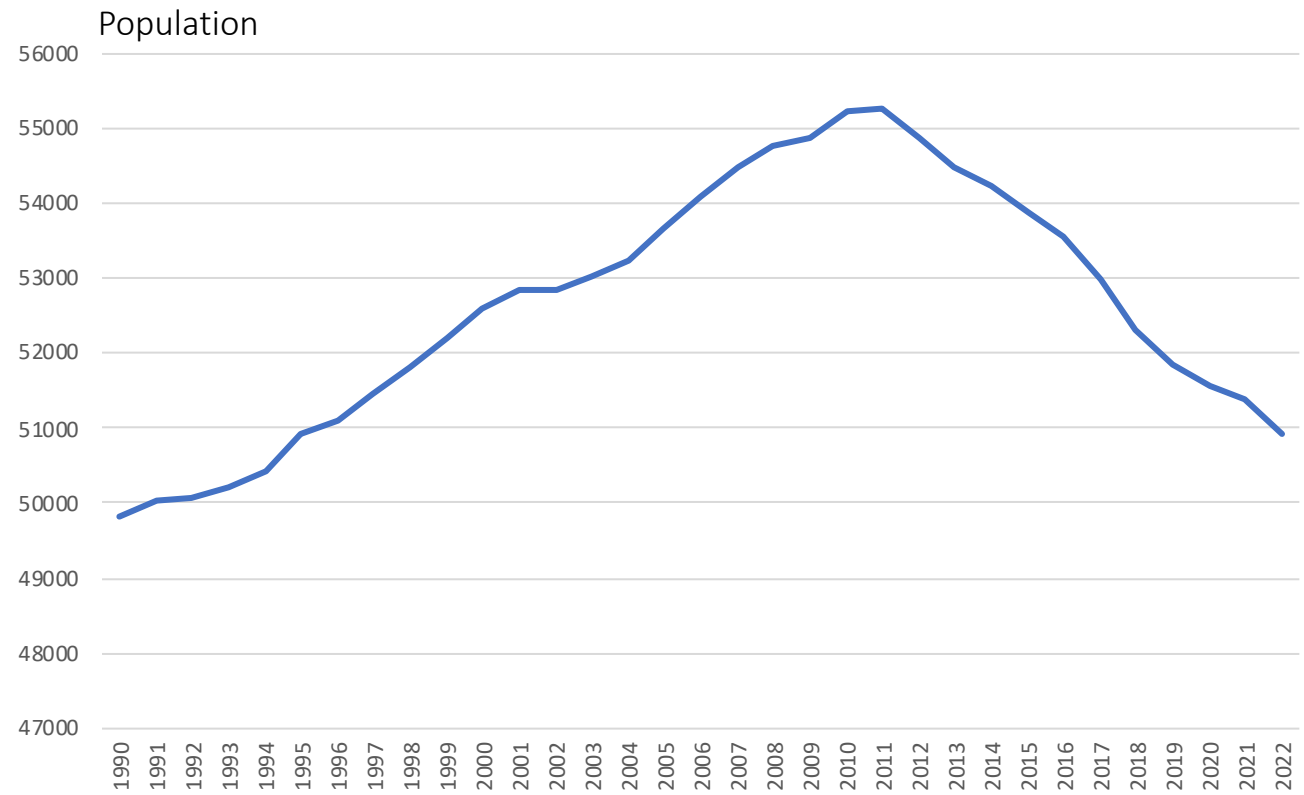
- Population appr. 50,000
  - Increased by 3% from 2000
- Versatile industrial mix (SMEs); family ownership
- Low unemployment rate



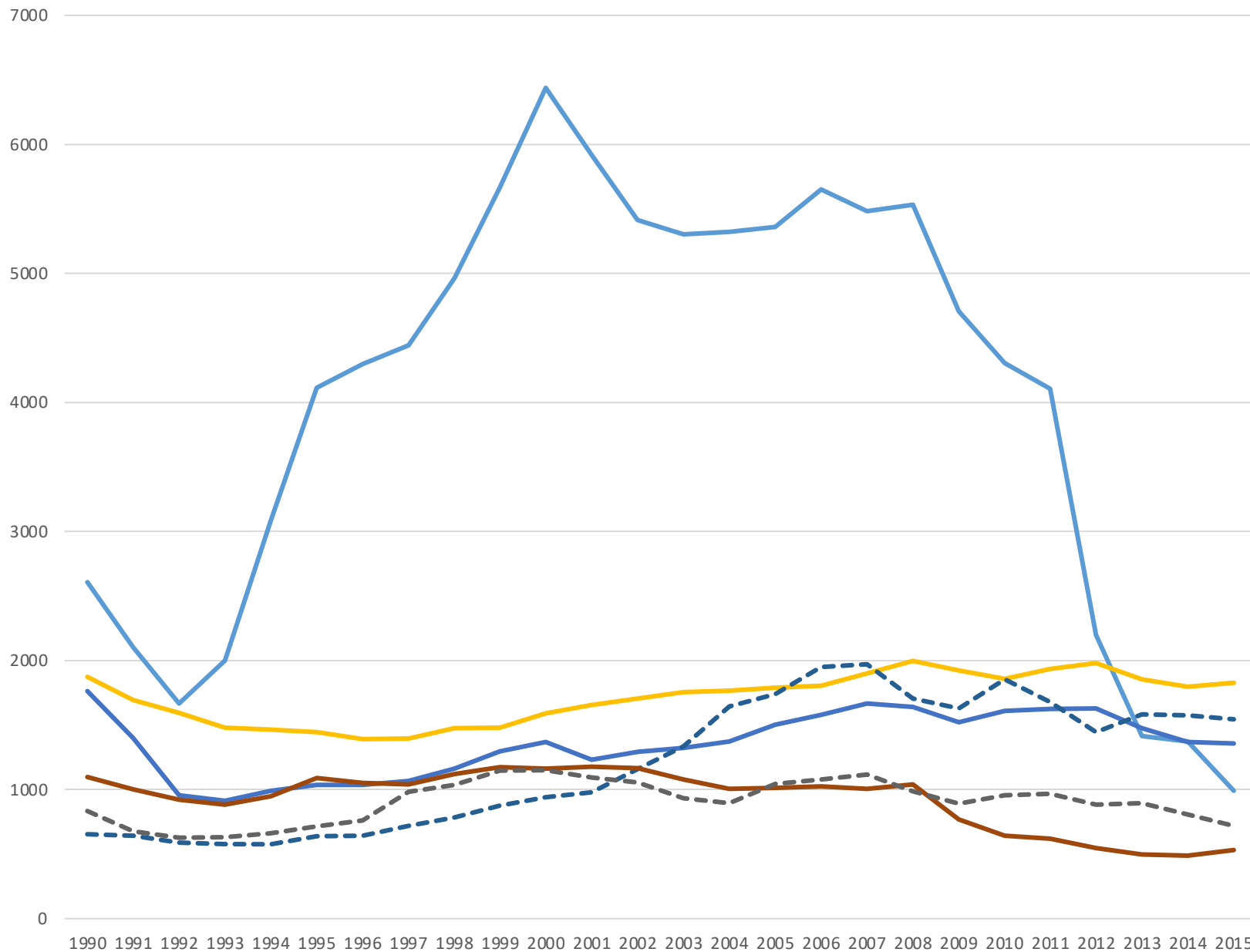
	JAKOBSTAD	EASTERN LAPLAND
Place leadership	Shared and mutual Informally co-constructed Business community in the lead	Based on a few key organisations' and key individuals' visions Fragmented and sporadic
Mobilisation	Largely self-organising Occasional lack of coordination	A few key actors organise project-based development work
Strategic focus	Open: inclusive regional strategy	Focused: the forest industry, tourism second
Mode of action	Proactive	Reactive
Perception of institutional change	Incremental: "doing things better" continuously	Abrupt: Pursuing radical changes
Spatial scale	Strong local activity and international orientation	Weak local activity, focus on national and international resources
Networking	Intensive local networks to reach international markets Strong international networks	Weak local networks



# Case Salo



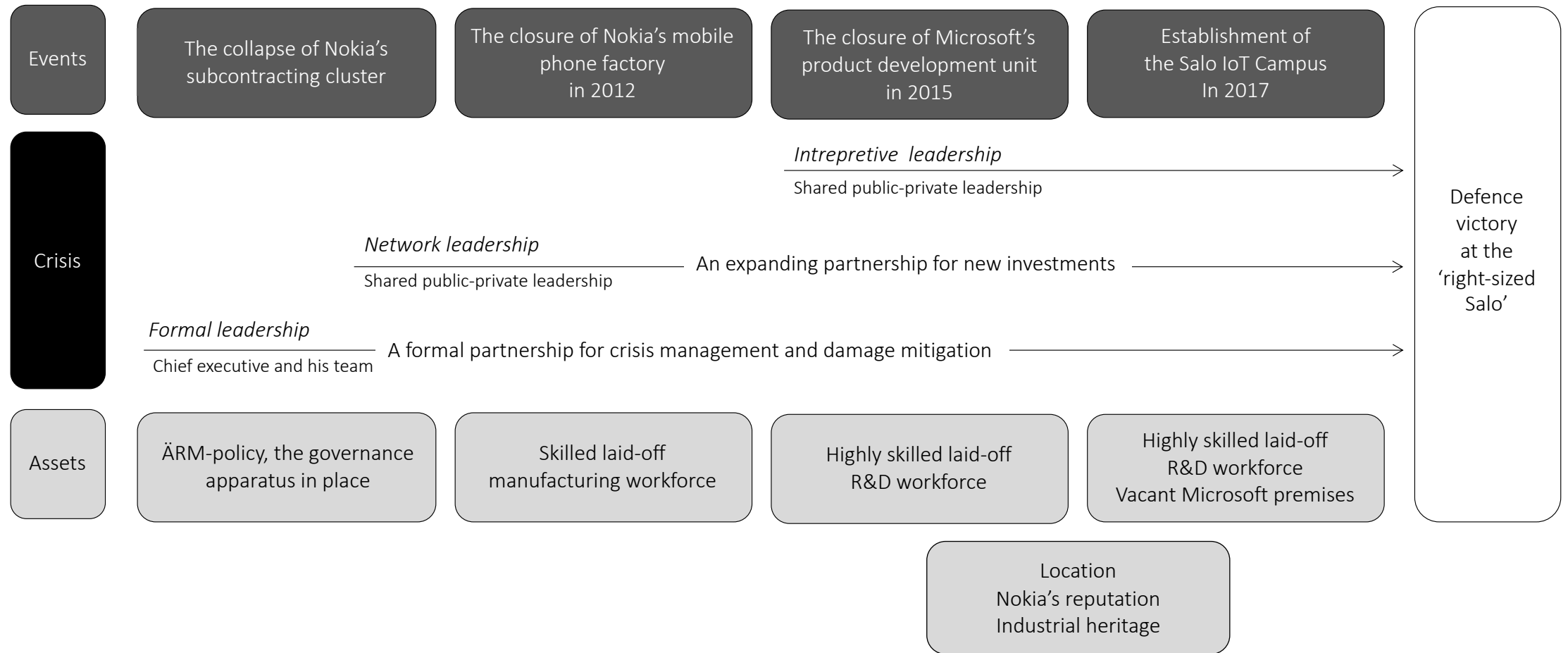
# Industrial dynamics



The collapse of Nokia's subcontracting cluster

The closure of Nokia's mobile phone factory in 2012

The closure of Microsoft's product development unit in 2015



# The establishment of the Salo IoT Campus

“We took the Town Board there - look, these are the buildings that we are buying.

The Board members were stunned about the main square, like in New York or Silicon Valley or anywhere.

We did not know that we had something like that here.”



Appr. 83,600 square meters of vacant space

## Conclusions – in the North

- Place leadership and institutional entrepreneurship are not individualised heroic activity, but shared and processual forms of agency
  - The Nordic tradition and governance system supports the idea of sharing the risk and mobilising for collective action
  - Even the strongest of actors are dependent on the resources and capabilities of the others
- The key actors manage risks (political, reputational, financial) by drawing on each other's assets, powers and capabilities
  - The resources are seen as finite and the capabilities to tackle complex issues as limited
    - A built-in conception that collective action is not a choice, but a necessity, is widely shared

Jakobstad	Opportunity spaces	Development path
	<p>Time-specific – continuous</p> <p>Region specific – social capital</p> <p>Agent-specific – place-rooted collaboration</p>	<p>Steady development</p> <p>Incremental innovation</p> <p>‘Still there’</p>

Eastern Lapland	Opportunity spaces	Development path
	<p>Time-specific – closing</p> <p>Region specific – raw material</p> <p>Agent-specific – none</p>	<p>Declining</p> <p>Struggling</p> <p>Fallen behind</p>

Salo	Opportunity spaces	Development path
	<p>Time-specific – Lost but potentially emerging</p> <p>Region specific – location, world class IOT campus</p> <p>Agent-specific – was exceptional</p>	<p>‘Right-sizing’</p> <p>Hanging on in there</p> <p>Stabilizing</p>





## Lessons for policy

- Policy should support local/regional leadership, entrepreneurship and capacity building
- New capabilities need to be learnt
- Evaluations should support local/regional learning

# General level answers



Why some succeed?

Structures and change agency fit the emerging situations



What assets?

From reputation to location to raw material to social capital to university expertise to policy to ...



How to mobilise?

Influence thinking and networks – act on institutional opportunities

Thank you!

