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Place, leadership and community empowerment in a globalising world

Robin Hambleton

Professor of City Leadership, Cities Research Centre, University of the West of England, Bristol and Director, Urban Answers – www.urbananswers.co.uk

Abstract

This paper argues that the forces of globalisation are weakening the power of 'place' in modern societies. The growth of large, multi-national companies has brought about a situation in which many of the decisions affecting the future of particular cities and communities are insensitive to 'place'. This process is creating 'could be anywhere' urban developments and worrying erosions in the power and effectiveness of local democracy. In some cities there is a growing feeling of alienation with communities indicating that they feel unable to influence events. In addition, because many decision-makers are too distant, it is also the case that 'place-based' investment opportunities are being missed. Governments across the world are, in varying ways, responding to these challenges and this paper examines aspects of these reform efforts. One popular strategy is to redesign the institutions of urban governance to make them better able to cope with global demands – metropolitan reform is on the political agenda in all continents. It is important, however, to think beyond structural reform and this paper identifies three themes that deserve to be given higher priority if 'place-based' decision making is to gain influence and power: 1) Moving public services from performance management to an innovation agenda; 2) Strengthening the three related realms of 'place-based' leadership; and 3) Enhancing community empowerment.

Keywords

Civic leadership; innovation; community empowerment; urban governance reform

Introduction

Too many decisions affecting the future of particular cities and local communities are insensitive to place. This arises partly because many stakeholders in the private sector are driven by the needs of global capital – which is concerned with profit maximisation, not the welfare of particular localities. A consequence is that some of the most powerful decision-makers in modern society are ‘**place-less**’ leaders in the sense that they are not concerned with the geographical or community impact of their decisions. Thus, for example, senior figures in multi-national companies are, on the whole, disinterested in the fortunes of particular localities. They serve a different agenda – that of their shareholders. The fact that some areas will decline if they withdraw their investment carries little or no weight in their calculations.

There is now a significant body of urban scholarship examining the impact of ‘place-less’ decision making on cities. While these scholars may not use the phrase ‘place-less’ as such, they have shown that the dominant, ‘neoliberal’ economic power system – sometimes described as the ‘Washington Consensus’ – has created a structure of decision-making that has led to the exploitation of local communities across the world.¹ These studies suggest that governments have been relatively ineffective in controlling this process of exploitation with the result that inequality in cities and city regions is increasing – in both rich and poor countries. Nobel Prize-winning economist, Joseph Stiglitz, notes that communities play a key role in successful development and that the continuation of policies that destroy ‘place-based’ communities is misguided: ‘... by weakening communities, corporations may, in the long run, even weaken development’.²

This paper aims to contribute to new thinking about the overall themes of the conference - city futures in a globalising world - by focussing on efforts to reform urban governance. It adopts a cross-national perspective and draws on recent books and studies carried out by the author.³ An opening section provides a brief summary of the movement from ‘government’ to ‘governance’ that appears to be taking place in many countries. This is followed by a discussion of the three main approaches to metropolitan reform encountered in different continents and offers some thoughts on how to evaluate these

¹ See, for example, Ranney D. (2003) *Global Decisions, Local Collisions*. Philadelphia: Temple University Press; Davis M. (2006) *Planet of Slums*. London: Verso; England K. and Ward K. (2007) *Neoliberalisation: states, networks, peoples*. Oxford: Blackwell.

² Stiglitz J. (2006) *Making Globalization Work*. London: Allen Lane. P192. Stiglitz notes that, for societies to function well – even for markets to function well – there has to be a certain level of trust, which is supported by a sense of community.

³ Hambleton R., Savitch H. V. and Stewart M. (eds) (2002) *Globalism and Local Democracy*. Basingstoke and New York: Palgrave; Hambleton R. and Gross J. S. (eds) (2007) *Governing Cities in a Global Era*. Basingstoke and New York: Palgrave; Hambleton R. (2008) *Civic Leadership for Auckland: An International Perspective* in Royal Commission (2009) *Auckland Governance Report*. Vol 4, pp 515-552. Auckland: Royal Commission on Auckland Governance (available at: www.royalcommission.govt.nz)

efforts. The next three sections of the paper focus on three themes that are important for the future governance of cities regardless of whether or not higher levels of government decide to restructure governmental arrangements: 1) Developing the innovative capacity of local governance, 2) Strengthening civic leadership, and 3) Building empowered communities. A final section offers some brief reflections.

1) From urban government to urban governance

In this section we explore the movement from 'government' to 'governance' - a shift that appears to be taking place in many countries - and we examine the general arguments often put forward to justify metropolitan reform. In a new book, *Governing Cities in a Global Era*, Jill Gross and I orchestrate a conversation between writers from different continents about the changing nature of urban government. In particular, we explore the suggestion that we are moving from an era of 'government' to one of 'governance'.⁴

But what do these terms mean? For the purpose of this discussion *government* refers to the formal institutions of the state. Government makes decisions within specific administrative and legal frameworks and uses public resources in a financially accountable way. Most important, government decisions are backed up by the legitimate hierarchical power of the state. *Governance*, on the other hand, involves government *plus* the looser processes of influencing and negotiating with a range of public and private sector agencies to achieve desired outcomes. A governance perspective encourages collaboration between the public, private and non-profit sectors to achieve mutual goals. Whilst the hierarchical power of the state does not vanish, the emphasis in governance is on steering, influencing and coordinating the actions of others.

Moving to the local level, *local government* refers to democratically elected authorities. *Local governance* is broader – it refers to the processes and structures of a variety of public, private, and community and voluntary sector bodies at the local level. It acknowledges the diffusion of responsibility for collective provision and recognises the contribution of different levels and sectors. This argument suggests that approaches to leadership and public service management that may have served societies well in the past will need to be updated to meet the needs of changing times.

In our book we criticise the emergence, in some circles at least, of two opposed camps or schools of thought who seem to spend their time criticising each other rather than learning from each other. The 'government' school is suspicious of the notion of collaboration – strengthen the state so that it can intervene ever more effectively to achieve societal goals and forget about partnership working with other stakeholders they cry. For some scholars, it seems, any steps towards collaborative working will be a sell out to the forces

⁴ Hambleton R. and Gross J. S. (eds) (2007) *Governing Cities in a Global Era*. Basingstoke and New York: Palgrave.

of neo-liberalism.⁵ On the other side of the fence, we find devotees of the 'governance' school who claim that the state cannot 'go it alone'. They argue that working in partnership with other stakeholders can improve problem-solving capacity and bring a range of resources to bear on pressing public policy challenges.

However, it must also be recognised that some advocates of governance models do have an ideological agenda - they see 'governance' as a way of weakening the role of the state. Davies, for example, has carried out an analysis of the 'partnership technocracy' that has grown up in English local governance in recent years and concludes that the rhetoric around empowerment, that accompanies these partnership efforts, disguises the introduction of a new kind of domination by elites.⁶ His analysis is supported by work by Geddes who believes that the new English, local government, partnership arrangements are likely undermine local democracy rather than enhance it.⁷ Scholars who have studied changing patterns of governance in US cities also point to the problems of elite takeover of public decision-making. For example, Judd and Smith, in their analysis of the growth of 'special purpose' authorities in American cities make a strong case for increasing the transparency of these largely unaccountable agencies.⁸

To contrast two 'schools' – the pro 'government' school and the pro 'governance' school – runs the risk of presenting a caricature of a more complex political debate. In our book, however, Jill Gross and I suggest that, because of changes in society and particularly the globalisation of economic and social relations, we need to develop more sophisticated approaches to how we discuss the 'governing' challenges facing modern cities and city regions. In our final chapter, 'From governance to governing', we explore ways in which it may be possible to combine the effective use of 'government' and 'governance' at one and the same time.

Why reform metropolitan government?

In the discussion above we have suggested that, in many countries, there has been a move from 'government' to 'governance' in recent years. In addition, we can find, across the world, numerous examples of efforts to reform

⁵ Some geographers and political scientists appear to take this view. See, for example, England K. and Ward K. (eds) (2007) *Neoliberalization: States, Networks, Peoples*. Oxford: Blackwell.

⁶ Davies J. S. (2007) 'Against partnership: Toward a local challenge to global neoliberalism' in Hambleton R. and Gross J.S. (eds) (2007) *Governing Cities in a Global Era*. Basingstoke and New York: Palgrave, pp 199- 210. Geddes M. (2005) 'Neoliberalism and local governance - cross-national perspectives and speculations', *Policy Studies*, Vol 26 No 3 pp 359-377.

⁷ Geddes M. (2005) 'Neoliberalism and local governance - cross-national perspectives and speculations'. *Policy Studies*, Vol 26 No 3 pp 359-377; Geddes M. (2006) 'Partnership and the limits of local governance in England: Institutional analysis and neoliberalism', *International Journal of Urban and Regional Research*, Vol 30 No 1 pp76-97.

⁸ Judd D. R. and Smith J. M. (2007) 'The new ecology of urban governance: special purpose authorities and urban development' in Hambleton R. and Gross J.S. (eds) (2007) *Governing Cities in a Global Era*. Basingstoke and New York: Palgrave, pp 151-160.

metropolitan government. Why reorganise existing local government arrangements in metropolitan areas? While the details vary by country and regional context the simple answer is that existing governmental arrangements are, for a variety of reasons, felt to be unsuited to meet present and future societal challenges. More specifically a key governance problem encountered in many metropolitan areas is **fragmentation**. Thus, municipal boundaries, created in earlier times, often divide power and authority in an unhelpful way, with the result that effective governance of the city region is stymied.

An up to date and very well documented example of metropolitan reform is provided by current developments in New Zealand. Perceived problems relating to the fragmentation of the governmental arrangements for the metropolis of Auckland led to the establishment of the Royal Commission on Auckland Governance in November 2007. The New Zealand Government had become increasingly concerned about the workability of the existing pattern of local government arrangements. The Royal Commission put it this way: 'Problems were perceived to centre on Auckland's fragmented governance arrangements, and the consequent inability of local government in Auckland to make and implement timely decisions for the good of the region'.⁹ If we adopt an historical perspective we can see that evolving patterns of urban development and social and economic change are bound to put strains on any given system of metropolitan government. The need to update governance arrangements had arisen in Auckland in the past and will arise again in the future. In practice the work of the Royal Commission can be viewed as a sensible follow on to previous reform efforts.

The last major review of Auckland local government, implemented in 1989, was concerned to address problems that remain with us, albeit in different form, today. Thus, the historical analysis provided by Professor Graham Bush, in his insightful Research Report for the Royal Commission, indicates that Dr Michael Bassett, the then Minister of Local Government, was also concerned about the fragmentation of power among small units of government within New Zealand. Dr Bassett believed that his 1989 reforms, which led to a reduction in the the number of Auckland territorial authorities from 29 to seven, would result in the following benefits: '... increased efficiency, resolving of inter-authority disputes, cessation of negative parochialism, and fostering of regional cooperation'.¹⁰ Those reforms worked, it is fair to say, to the advantage of the citizens of Auckland. They may not have been perfect but an antiquated system of government was swept away and replaced by improved arrangements. Societal change has continued apace with the result that further reform is now needed.

The emergence of debates about metropolitan reform is a striking feature of urban policy developments in the last decade or two. As the globalisation of

⁹ Royal Commission (2009) *Auckland Governance Report*. Vol 1 p43.

¹⁰ Bush G. W. A. (2009) *Historical Overview of Auckland Governance* in Royal Commission *Auckland Governance Report*. Vol 4, p20

economic relations has turned cities into engines of national economic growth we find that national governments have become increasingly concerned about the arrangements for the governance of the major cities in their countries.¹¹ This development is explored elsewhere - in a study by the OECD and in an examination of theories relating to the development of 'world cities'.¹² What seems clear from this literature is that traditional local government concerns, relating to local accountability and the provision of high quality public services, are now being supplemented by proactive policies, often stemming from higher levels of government, designed to enhance city regional economic competitiveness. It follows that students of metropolitan reform would be well advised to consider who is gaining and who is losing as a result of these various reform efforts. At one extreme we can identify reform proposals that see cities as sites for economic exploitation by capital. At the other we can find citizen-based reform efforts that see cities as enlightened centres of culture and civilised living.

2) Metropolitan governance – reform options

In the discussion of the Auckland governance reforms in the last section we noted that reorganising the governmental arrangements of metropolitan areas is not a new phenomenon. On the contrary 'reorganisation' has been an issue ever since cities began sprawling over their original municipal boundaries in the late 19th and early 20th centuries. While it is something of a simplification, it is helpful to distinguish three different approaches to metropolitan reform. In practice, it is possible to pursue a reform strategy in a given city region that borrows elements from more than one of these three approaches. However, it can help to penetrate the confusion that sometimes accompanies metropolitan reform debates if we separate out the three models, even if only at a conceptual level. The three approaches are:

- 1) Consolidation and amalgamation
- 2) Two-tier government
- 3) Collaborative partnerships

We now offer brief remarks on each of these reform options. Each has strengths and weaknesses.

1) Consolidation and amalgamation

¹¹ See, for example, Jouve B. and Lefevre C. (2002) 'Metropolitan governance and institutional dynamics' in Hambleton R. Savitch H. V. and Stewart M. (eds) (2002) *Globalism and Local Democracy*. Basingstoke and New York: Palgrave.

¹² OECD (2004) *OECD Metropolitan Regions: What role for the central governments?* Paris: OECD; Tsukamoto T. and Vogel R. K. (2007) 'Rethinking globalization – The impact of central governments on world cities' in Hambleton R. and Gross J.S. (eds) (2007) *Governing Cities in a Global Era*. Basingstoke and New York: Palgrave, pp 15-31.

A familiar approach to the problems created by jurisdictional fragmentation is consolidation or, to use an American phrase, 'annexation of the suburbs'. This model of local government reorganisation is still highly influential in many countries. In the United States, for example, where many metropolitan areas are extremely fragmented, 'city-county' consolidation and local authority mergers are alive and well.¹³ This approach has also been pursued extensively in the UK in recent decades. Indeed, April 2009 saw the creation of nine, new unitary local authorities in England in areas that had previously been served by a 'two-tier' system of local government. These changes affect more than three million people – in both urban and rural parts of the country. Driven by an agenda seeking 'efficiency savings' these changes have created several enormous local authorities. For example, the districts and county of Cornwall have been merged into a new 'unitary' Cornwall, now one of the largest unitary councils in Europe.

As mentioned earlier, this approach to local government reorganisation has also been pursued in the New Zealand context. The 1989 reorganisation was a comprehensive and far reaching structural change involving a significant reduction in the overall number of elected local authorities in the country. Consolidation and amalgamation were watch-words.

2) *Two-tier government*

A second approach to reform, pursued in many countries in the 1960s and 1970s, involves the creation of two-tier metropolitan governments. In this model certain powers and policy-making competences are transferred to the metropolitan scale. To fit this description a true two-tier model involves two levels of government – each elected and each having its own tax raising powers. This is an approach that has been adopted in several European capitals - for example, Berlin, Paris and London.¹⁴

In my Research Paper for the Royal Commission on Auckland Governance I drew attention to the successful two-tier model of metropolitan government introduced in London in 2000.¹⁵ The Greater London Authority Act of 1999 created a new form of metropolitan government for a world city of seven million people. Introducing a strategic metropolitan authority, headed by a powerful directly elected mayor, was a significant innovation that has attracted international interest. The reform has certainly captured the public imagination. For example, the contest for the position of directly elected Mayor of London in May 2008 (and the earlier elections in 2000 and 2004) stimulated a relatively high level of public and media interest. We can note that the London elections in 2008 attracted a much higher voter turnout than

¹³ Carr, J. B. and Feiock, R. C. (eds) (2004) *City-County Consolidation and its Alternatives*. Armonk, New York: M. E. Sharpe

¹⁴ Rober, M. and Schroter E. (2007) 'Governing the Capital – Comparing Institutional Reform in Berlin, London and Paris' pp. 33–43 in Hambleton, R. and Gross, J. S. (eds) *Governing Cities in a Global Era. Urban Innovation, Competition and Democratic Reform*. London and New York: Palgrave.

¹⁵ Hambleton R. (2008) *Civic Leadership for Auckland: An International Perspective* in Royal Commission (2009) *Auckland Governance Report*. Vol 4, pp 515-552.

in other local elections held across the country on the same day. As well as being popular with Londoners, the institutional design of the Greater London Authority (GLA) is widely recognised by urban scholars as one of the most effective two-tier models of metropolitan government in the world.

Not surprisingly it is the introduction of a high profile, directly elected leader for the capital that has attracted much public and media interest. It is important, however, to draw attention to a second key feature of the London reforms. The GLA is a **strategic** authority. Politicians in the GLA are focussed on strategic matters – for example, strategic spatial planning, economic development and transportation. The directly elected Mayor and the London Assembly are **not** responsible for the delivery of the vast bulk of local government services – detailed planning policy, education, social care, housing, leisure services, refuse collection and so on. These are the responsibility of the long established 32 London boroughs (the lower tier of government in the London two-tier system).

3) Collaborative partnerships

A third approach to metropolitan reform eschews structural change. It involves the creation of collaborative partnerships between independent local authorities and (sometimes) other entities. This approach, which does not necessarily require legislation by a higher level of government, is designed to bring about improved coordination and strategic collaboration among authorities that continue to remain independent. Within this model there are many variants ranging along a continuum. At one end are fairly loose and informal inter-organisational arrangements – at the other are more formal strategic partnerships and/or relationships involving formal contracts.

In the United States, because of the history of urban development and evolution of 'home rule' political values, metropolitan areas are often very fragmented in terms of their local government structures. The autonomy of even very small localities is prized. For example, in the Chicago metropolis there are over 200 separate municipalities. This poses immense challenges for metropolitan leadership because the nature of politics in the US – a country with a deep commitment to the dispersal of political power in society – means that the two metropolitan reform strategies just outlined usually face great resistance. The alternative to structural change is, somehow, to orchestrate a process of collaborative decision making bringing together independent municipalities in voluntary networks or partnerships. In the Chicago context civic leaders, operating within a loose framework created by an independent organisation known as Metropolis 2020, have worked to encourage the many local governments to align their decisions with a broad metropolitan vision. These efforts are to be commended, but this approach has not been able to stop the entirely unsustainable development of the Chicago metropolis. Car oriented suburbs continue to sprawl westwards onto the prairie.

In various European countries there are examples of metropolitan collaboration that impose firmer requirements on the participating local

authorities. For example, the 'agglomeration contracts' in France bring together the central government, the region and the *communaute d'agglomeration* or *communaute urbaine* (depending on whether the area is mainly rural or urban) in formal partnerships. A useful overview of local governance developments in Europe is provided by Denters and Rose and this collection lends weight to the argument that there is, indeed, a shift from 'government' to 'governance' taking place.¹⁶

In the UK Multi-Area Agreements (MAAs) are now in place in several city regions and these provide a basis for improved coordination between independent local authorities. Partners are required to sign up to joint strategies. The latest step in the programme of initiatives designed to enhance collaborative working in UK city regions was announced by the Chancellor in the UK Budget in April. Buried in Chapter 4 is a proposal to introduce two 'pilot city regions' – in Great Manchester and Greater Leeds. While the details are still to emerge the intention is for these two city regions to gain new powers over skills, job training and employment.

Reflections on the reform options

This section has outlined, in simple terms, the three main routes to metropolitan reform. It has been stressed that they are not mutually exclusive and various reform combinations are being tried out in different countries. Reference to the three models outlined above may help those involved in metropolitan reform initiatives clarify their objectives. Clearly effective approaches to metropolitan reform need to be tuned to the local context. Political, cultural and legal frameworks vary among countries. It follows that it is unwise to embark on an international search for some kind 'ideal' approach to metropolitan reform. What works in one country could be entirely unsuitable in another.

Nevertheless, we can note one development that impacts the metropolitan reform agenda in all continents. As explained in Section 1) above, the world has changed remarkably in the period since 1990. More specifically, it has been suggested that global economic transformation and societal changes have altered the terms of the debate relating to metropolitan reform. The globalisation of the economy has turned cities into powerful engines of economic growth. More important, these socio-economic changes are altering the nature of the challenges facing those charged with governing cities. The shift from government to governance outlined earlier means that civic leaders will need to be much more outgoing than in the past. They will need to enhance their capacity to influence the decisions made by **others** in order to improve the local quality of life. Successful approaches to metropolitan reform that do not support outgoing civic leadership will, in my view, result in governments failing to meet the needs of local citizens. We will revisit this theme of civic – or place-based - leadership later in the paper, as it lies at the heart of any successful approach to metropolitan reform.

¹⁶ Denters B. and Rose L. E. (2005) *Comparing Local Governance. Trends and developments*. Basingstoke and New York: Palgrave.

Evaluating metropolitan governance options

The Royal Commission on Auckland Governance, based on their evidence gathering, suggested four criteria should guide the design of the new metropolitan governance for Auckland: 1) Common identity and purpose, 2) Effectiveness, 3) Transparency and accountability, and 4) Responsiveness.¹⁷ Their full reports elaborates on these criteria. In my report on civic leadership for the Royal Commission I suggested that civic leadership should be added to this list. In summary, then, I put forward the suggestion that those concerned with metropolitan reform in different countries may find it helpful to consider drawing on the following five criteria as they develop principles to guide their decision-making:

- Enhancing civic leadership
- Creating common identity and purpose
- Ensuring cost effectiveness and efficiency
- Securing transparency and accountability
- Building in responsiveness to different communities

In addition, by drawing on my experience of working on local government reorganisation in the UK, including co-writing national guidance for England and Wales on how to go about reorganisation in the mid 1990s, I would advise the development of a carefully constructed change management process.¹⁸ One aspect of metropolitan reform, that is often neglected, concerns the **emotional dimension** of local government change. Councillors, officers, community representatives and others invest enormous amounts of personal energy and commitment in working to serve their local communities. This emotional investment in places and local institutions is a priceless asset for the future of any given city. A change process that resonates with people's feelings can be developed but it needs care and sensitivity. Major change in the governance of a city region **can** be accomplished in a relative short space of time – experience with reorganisation in the UK demonstrates that fairly rapid change is possible. However, it is important to develop enthusiasm for the reforms – enthusiasm for the new exciting possibilities opening up. Support and positive attitudes to reform can be snuffed out by a poor change management process.

In the next three sections we discuss three themes that deserve increased attention in the period ahead. These themes are all important regardless of the structural changes any government may decide to pursue:

- Developing the innovative capacity of local governance

¹⁷ Royal Commission on Auckland Governance (2009) *Auckland Governance Executive Summary*. Vol 1, p5. Auckland: Royal Commission. (Available at: www.royalcommission.govt.nz)

¹⁸ Hambleton R. and Holder A. (1994) *Shaping Future Authorities*. London: Local Government Management Board. This guidance was issued to all local authorities in England and Wales. Andrew Holder and the author provided in-house change management workshops for numerous councils and also trained other facilitators to use the 'shaping' guidance.

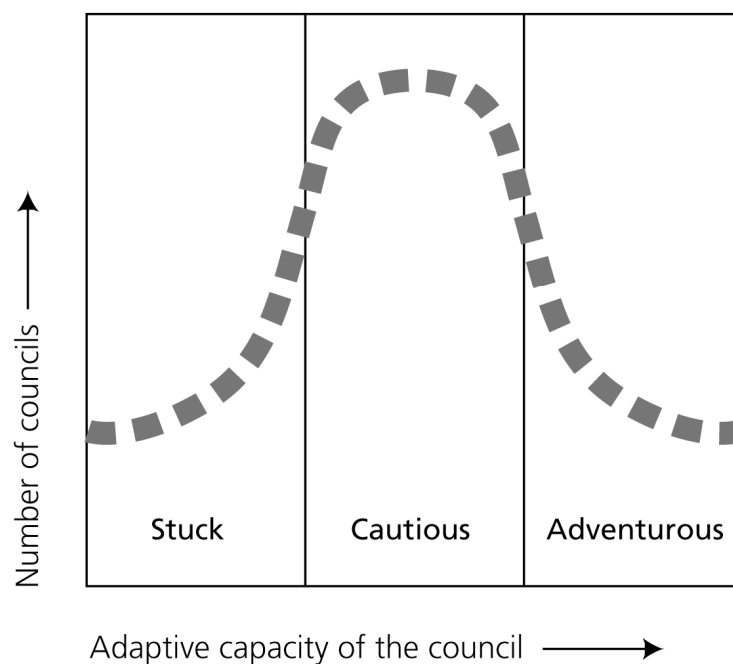
- Strengthening civic leadership
- Building empowered communities

3) Developing the innovative capacity of local governance

Recent research on local governance in the UK suggests that developing the innovative capacity of local authorities – whatever their form and size – deserves more active consideration. I offer some remarks on the public service innovation agenda now opening up based mainly on work in the UK context.

To ensure that reform efforts relating to innovation are well suited to the local context it is helpful to think of an **innovation curve** in local governance. First developed in 1998 the notion of an innovation curve suggests that the readiness of different localities to take on the innovation challenge varies considerably.¹⁹ This work identified three kinds of local authority in the UK context and these ideas may also apply in other countries – see **Figure 1**.

Figure 1. The innovation curve 1998



‘Adventurous’ councils were eager to exploit opportunities available to them. They set demanding aims for themselves, and welcomed the chance to compete (in the UK context) for ‘Beacon status’. Most councils, it was suggested at the time, could be described as ‘cautious’. They tended to adopt a ‘wait and see’ approach, and moved to adopt new approaches only after taking account of the experience of the pioneering councils.

¹⁹ Hambleton R. and Holder A. (1998) ‘The price of change’, *Municipal Journal*, 2 October, pp 20-21

The term 'stuck' was used, perhaps unkindly, to describe councils who were furthest back on the innovation curve. These authorities were, for a variety of reasons, resistant to change. They tended to be backward-looking and seemed intent on either ignoring or attacking the modernisation agenda. The 1998 article acknowledged that this framework was a simplification – for example, different parts of the same authority could be at different points on the innovation curve. The analysis did, however, highlight two points that are still relevant today.

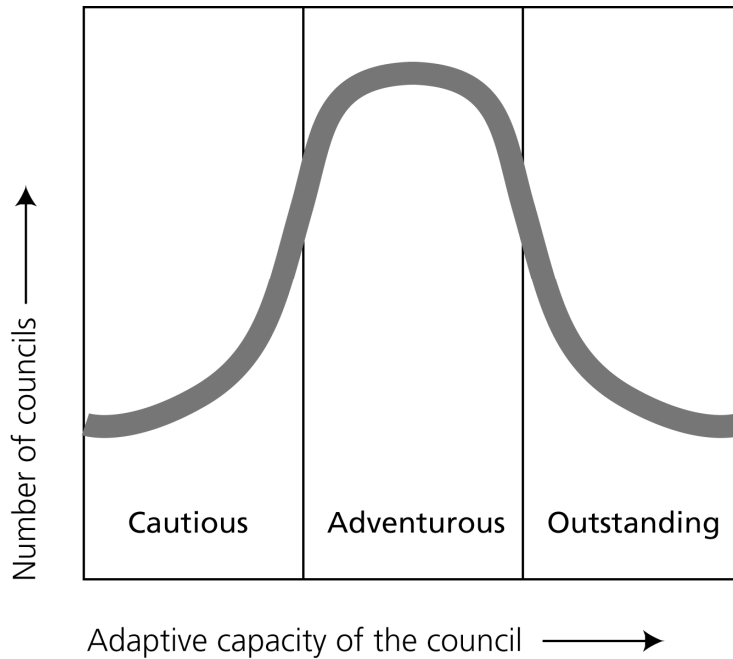
First, councils are not at the same starting line when it comes to their capacity to innovate. Councils, and this is a point well recognised by the Improvement and Development Agency (IDeA) for local government over the years, at different points on the innovation curve need different kinds of support and encouragement.

Second, as mentioned earlier, more attention needs to be given to the emotions of councillors and officers. Winning the intellectual argument for change is not enough. While the literature on 'emotional intelligence' is relatively young, it does at least offer the insight that emotions matter.²⁰ Leaders who manage their own emotions appear to be better equipped to understand the emotions and feelings of others. Leadership involves change and successful leaders inevitably generate opposition. It follows that they need to be both sensitive to the feelings of others but also resilient in the face of opposition.

Fast forward ten years and the picture (in the UK at least) is rather different – see **Figure 2**.

²⁰ Goleman D. (2002) *The New Leaders*. London: Times Warner; Sashkin M. and Sashkin M. G. (2002) *Leadership that matters*. San Francisco: Berrett-Kohler; Heifetz R. A. and Linsky M. (2002) *Leadership on the Line*. Boston: Harvard Business School Press.

Figure 2. The innovation curve 2008



The least innovative councils can now be described as ‘cautious’.²¹ Given the improvements of the last decade, no council in the UK is now ‘stuck’ in the sense used in **Figure 1**. This is progress, but the cautious councils are followers – it is unlikely that they will startle their peers by breaking entirely new ground.

The second group in **Figure 2** is described as ‘adventurous’. This could, perhaps, be an optimistic view. However, there is evidence to suggest that a good deal of innovation is taking place in UK local government.²²

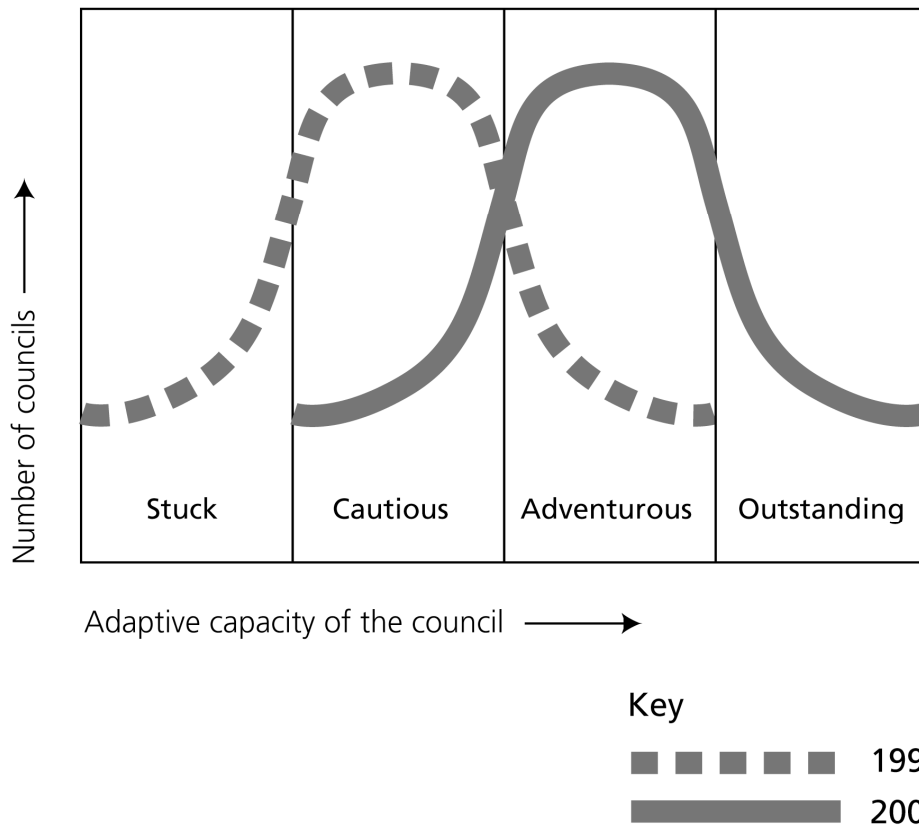
But being adventurous is now no longer enough. The truly innovative councils of today have raised their sights beyond the targets suggested by national performance regimes and are striving to be ‘outstanding’. By this I mean operating at an exceptional level when compared with the other localities internationally.

While I recognise that it is a dramatic simplification of a more complex reality I suggest, in **Figure 3**, that the **innovation curve** is in the process of moving in an international direction.

²¹ Hambleton R. and Holder A. (2008) ‘A decade of innovation’, *Municipal Journal*, 2 October, pp 32-33

²² Parker S. (ed) (2009) *More than good ideas: the power of innovation in local government*. London: IDeA/NESTA

Figure 3. The innovation curve 1998-2008



In changing times it is difficult to over estimate the importance of keeping innovation 'front of stage' in the thinking of local leaders and managers.

4) Strengthening civic leadership

In this section I recap on some of the arguments put forward in my report for the Royal Commission on Auckland Governance, updated to take account of more recent developments. I define civic leadership broadly to embrace all leadership activity that serves a public purpose in a given locality. It is, in my view, helpful to distinguish leadership that is committed to enhancing the quality of life in a particular 'place' from other kinds of leadership that do not share this objective. In simple terms we can, then, distinguish leadership that is 'place-based' from other kinds of leadership that are 'place-less'.

Civic leadership is 'place-based' leadership - meaning that those exercising decision-making power have a concern for the communities living in a particular 'place'. As mentioned in the Introduction to this paper, some of the most powerful decision-makers in modern society are 'place-less' leaders in the sense that they are not concerned with the geographical impact of their decisions. Following Stiglitz, who draws on Putnam, I take the view that an unfettered market, especially in the context of globalisation, can destroy

communities.²³ There is now a substantial body of literature on ‘social capital’ and the role that it plays in fostering a caring society.²⁴ There are different kinds of social capital and sometimes this capital can be used to exclude groups – the creation of social capital will not necessarily reduce socio-economic inequalities. However, with the right kind of civic leadership – of which more in a moment – it may be possible to encourage the bridging of social ties between different social groups.

In my view, successful leadership is inspirational and collaborative. In previous work, I have defined leadership as ‘shaping emotions and behaviour to achieve common goals’.²⁵ This implies a wide range of activities aimed at generating both new insights and new ways of working together – it prizes respect for the feelings and attitudes of others as well as a strong commitment to collaboration.

Civic leaders are found in the public, private, and community/voluntary sectors and they operate at many geographical levels – from the street block to an entire sub region and beyond. The three kinds of civic leadership can be distinguished:

- **Political leadership** – referring to the work of those people elected to leadership positions by the citizenry. These are, by definition, political leaders. Thus, all elected local councillors are political leaders, although we should acknowledge that different councillors carry different roles and responsibilities and will view their political role in different ways.
- **Managerial leadership** – referring to the work of public servants appointed by local authorities, central government and third sector organisations to plan and manage public services, and promote community wellbeing. These officers bring professional and managerial expertise to the tasks of local governance.
- **Community leadership** – referring to the work of the many civic-minded people who give their time and energy to local leadership activities in a wide variety of ways. These may be community activists, business leaders, voluntary sector leaders, figures in religious organisations, higher education leaders and so on. Particularly important here is the potential contribution to civic leadership of an independent and engaged voluntary and community sector.

²³ Stiglitz J. (2006) *Making Globalization Work*. London: Allen Lane, footnote 8, p326

²⁴ Putnam R. D. (2000) *Bowling alone: The collapse and revival of American community*. New York: Simon and Schuster; Gilchrist A. (2004) *The well-connected community*. Bristol: The Policy Press.

²⁵ Hambleton R. (2007) ‘New leadership for democratic urban space’ in Hambleton R. and Gross J. S. (eds) *Governing Cities in a Global Era*. London/New York: Palgrave. P 174

These roles are all important in cultivating and encouraging public service innovation and, crucially, they overlap.²⁶ I describe the areas of overlap between these different realms of leadership as **innovation zones** – areas providing many opportunities for innovation.

Figure 4. Civic leadership
- a conceptual framework

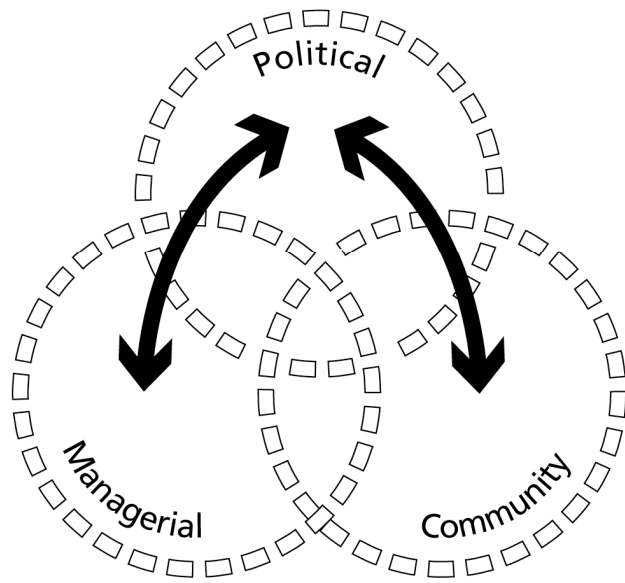


It can be claimed that effective civic leadership in the coming period is likely to involve leadership behaviour that spans the boundaries between our three realms of civic leadership. Moreover, this approach takes it as read that inspirational leadership can emanate from any of the three realms of civic leadership, and innovation is likely to emerge through a conversation or series of conversations between them, in the spaces of overlap. Leadership capacity in modern society is **dispersed**. Our systems of local governance need to respect and reflect that diversity if decisions taken in the public interest are going to enjoy legitimacy. Further, more **decentralized** approaches both across localities and within each realm of civic leadership can empower informal leaders to be part of the dialogue.

To emphasise the interactive and dynamic nature of civic leadership I offer three simple illustrations. In **Figure 5** I depict a process of politically inspired innovation. In this example, it is politicians who take a lead in shaping the emotions and behaviour of their officers and their partners in the community. The process is, of course, two-way. Effective political leaders are quick to learn from those they are attempting to influence.

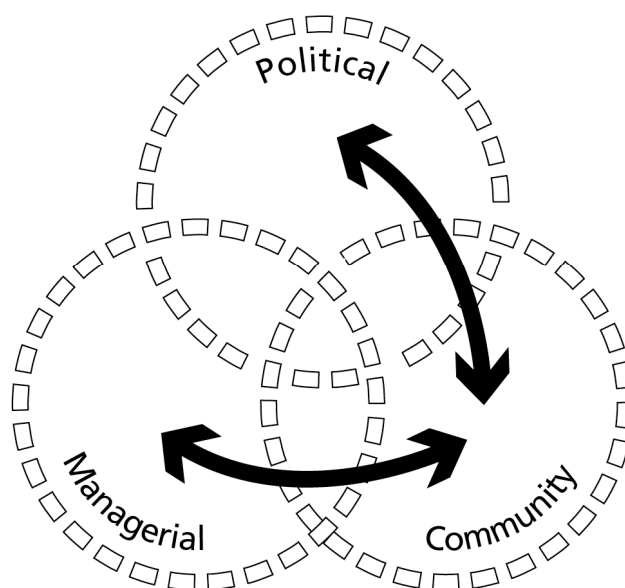
²⁶ These ideas were first set out in Hambleton R. (2008) *Civic Leadership for Auckland: An International Perspective* in Royal Commission (2009) *Auckland Governance Report*. Vol 4, pp 515-552. A more extended analysis, with international examples, is provided in Hambleton R., Howard J., Buser M. and Taylor M. (forthcoming) *International Insights on Civic Leadership and Public Service Innovation*. London: Communities and Local Government/LARCI.

Figure 5. Politically inspired innovation



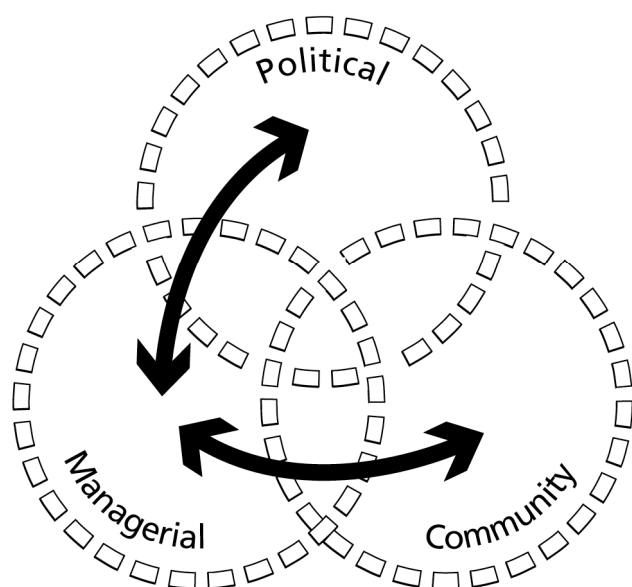
In **Figure 6** I picture a process of community inspired innovation. In this example, it is actors from **outside** government who are the main drivers. By working with elected politicians and appointed officials, leaders from the community shape the trajectory of local policy and action. This leadership can come from the grassroots as well as universities, commerce and intermediary bodies of the third sector. Grassroots leadership is crucial in developing the social capital that strengthens democracy and underpins sustainable local development. In a multi-cultural city this cultivation of grassroots leadership is particularly important.

Figure 6. Community inspired innovation



It is also the case that appointed officers – for example, an inspiring chief executive or service director, a neighbourhood manager or area police officer – can set the tone of local leadership. In **Figure 7** I envisage a process of managerially inspired innovation. Here the officers work closely with political figures and community stakeholders to bring about transformative change. Street-level workers can play a key role in promoting dialogue over time that stimulates creative solutions to local problems.

Figure 7. Managerially inspired innovation



All the diagrams I present in this section represent a drastic simplification of a more complex reality and are not intended to show how the dynamics of local power struggles actually unfold. The relative power of the three realms varies by locality and this would imply different sized circles, whereas I have kept them all the same size. Moreover, the realms shift in influence over time. The interactions across the realms are also far more complex than implied by **Figures 5, 6 and 7** – and, of course, there are many different interests operating within each realm. Nevertheless I believe that the notion of three different realms – with leadership stemming from different sources of legitimacy within different realms – provides a helpful way of framing discussion about civic leadership.²⁷

5) Building empowered communities

The objective of enhancing community empowerment can be advanced by developing sound arrangements for both ‘representative’ democracy and

²⁷ A more extended presentation of these ideas with examples of civic leadership drawn from different countries is provided in Hambleton R., Howard J., Buser M. and Taylor M. (forthcoming) *International insights on civic leadership and public service innovation*. London: Communities and Local Government/LARCI

'participatory' democracy. A high quality approach to both these aspects of democracy is needed if community empowerment is seen as an important objective.²⁸

If we take 'representative' democracy first we can note the importance of: encouraging a diversity of people to stand for public office; having representative structures that are clear to citizens; ensuring elected councillors are well supported in exercising their various representative roles; having a sufficient number of councillors to represent the different communities in the city; and for the decision making arrangements within the city governments to be sufficiently decentralised to enable councillors in different areas of the city to be responsive to the varying needs of different localities.

These concerns relating to the quality of representative local government are, of course, familiar to policy makers, local government politicians, officers and community activists. An excellent review of the changing roles of New Zealand councillors is, for example, provided by Dr Jean Drage.²⁹ This analysis explains how it is important for New Zealand councillors to be supported in developing new skills as community leaders – and we have referred to some of these in the discussion of civic leadership above – and, at the same time, to assist councillors stay connected to their communities. Her study examines a number of the themes that are relevant to debates taking place in a number of countries.

In 2006 the UK Government established a Councillors Commission to review the incentives and barriers to people standing and serving as councillors. Chaired by a very experienced councillor – Dame Jane Roberts – the Commission reported in December 2007.³⁰ The 'Roberts Report' rejected calls for full time professional councillors – with Dame Jane arguing that 'Councillors need to be reasonably normal human beings'. Research carried out for the Commission found that most councillors in the UK are white, male and retired, and a key theme in the Roberts Report concerns the need to reach a better balance across class, age, ethnicity and gender in the make-up of the typical council. Again, it seems likely that this study provides insights that could be useful to other countries.

Turning to the theme of 'participatory' democracy we can, again, record that there have been significant advances in local governments across the world.

²⁸ See, for example, Taylor M. (2003) *Public Policy in the Community*. Basingstoke and New York: Palgrave; Gaventa J. et al (2007) *Champions of Participation. Engaging Citizens in Local Governance*. Brighton: Institute for Development Studies; Cornwall A. (2008) *Democratising engagement. What the UK can learn from international experience*. London: DEMOS

²⁹ Drage J. (2008) *A Balancing Act. Decision-making and Representation in New Zealand's Local Government*. Wellington: Institute of Policy Studies, Victoria University of Wellington.

³⁰ Councillors Commission (2007) (Chaired by Dame Jane Roberts) *Representing the Future*. London: Department of Communities and Local Government.

The movement towards 'New Public Management' in the 1990s, which took different forms in the different countries where it was tried out, sometimes resulted in a narrowing of thinking in relation to community involvement. In many instances public service providers were encouraged, even required, to view service users as 'consumers' or 'customers', not 'citizens' with democratic rights.

Elsewhere I have written a fairly extensive critique of these reforms and argued that local government is better served by a concept I describe as 'new city management'.³¹ This approach recognises that, at different times, it can be helpful for public service providers to view service users as 'consumers' or 'customers'. There is good practice in the private sector that can be drawn on. However, there are serious limits to this approach which individualises the public service encounter. Many of the most important challenges now facing governments (central and local) – from climate change to public safety, from responding to the world economic recession to promoting sustainable transport – require collective consideration and action by communities. This means creating new kinds of participatory processes that enable all voices to be heard. At root, successful approaches to community empowerment – and there are many examples to draw on internationally – respect people as citizens with democratic rights. Managerialism can enhance public service effectiveness and can achieve 'efficiency' gains, but the watch-word for successful local government reform should be 'democratic renewal'.

Previous research on neighbourhood management and community involvement in the UK suggests that, to be effective as instruments of community empowerment, community boards (and similar innovations) must have significant decision-making power.³² This research has also shown that there is no contradiction between enhancing the representative role of local councillors and community empowerment – successful models blend the two approaches. For example, participatory budgeting, in some versions at least, can achieve this creative mix of representative and participatory democracy.³³

One theme that deserves special mention concerns the growing diversity of communities. More and more cities can expect to experience what Jill Gross and I describe as 'dynamic diversity', by which we mean the rapid arrival in a locality (or part of one) of large numbers of people from other countries.³⁴ In the Canadian city of Toronto, for example, immigrants comprise more than 44% of the population; and in parts of some cities in Europe and elsewhere,

³¹ Hambleton R. (2007) 'New Leadership for Democratic Urban Space' in Hambleton R. and Gross J. S. (eds) *Governing Cities in a Global Era. Urban Innovation, Competition and Democratic Reform*. Basingstoke and New York: Palgrave.

³² Burns D., Hambleton R. and Hoggett P. (1994) *The Politics of Decentralisation*. Basingstoke and New York: Palgrave; Taylor M. (2003) *Public Policy in the Community*. Basingstoke and New York: Palgrave; Taylor M. (2007) 'Community participation in the real world: opportunities and pitfalls in new governance spaces' *Urban Studies*. Vol 44 No2.

³³ Pearce J. et al (2008) *Here the people decide? New forms of participation in the city*. Research Briefing. Bradford: International Centre for Participation Studies.

³⁴ Hambleton R. and Gross J. S. (eds) (2007) *Governing Cities in a Global Era*. Basingstoke and New York: Palgrave, pp 218-220.

most of the residents are newly arrived.³⁵ Local governments have developed new ways of responding to the needs of diverse communities.³⁶ But there is much to do to ensure that democratic processes are reformed in ways that reach out to and include communities that may feel excluded and even alienated from the governance system.

Reflections

This paper set out to examine the impact of global forces on cities and to assess various reform efforts – metropolitan reforms and various public service innovations - being tried out in different countries to enable cities and city regions to gear up to face new challenges. The discussion has been wide ranging. A guiding theme, however, has been that it is becoming increasingly important to strengthen **place-based leadership** in cities across the world. This is because ‘place-less’ leadership disregards the importance of place – it undervalues communities and the rights of citizens in particular localities to shape events that impact on their lives. ‘Place-less’ leadership is taking cities in the wrong direction.

True, there are limits to place-based leadership. The creation of gated communities with high walls and security guards could be described as an example of ‘place-based’ leadership. In this case the residents of the fortified enclaves strive to secure the success of their ‘place’ in what they consider to be an increasingly hostile urban environment. Privatised spaces of this kind are on the increase in many cities – notably in Latin America and China. This is not what I am advocating when I argue for a strengthening of ‘place-based’ leadership. Rather, following Frederickson, I am suggesting that politicians, professionals and community activists should be guided by ‘instincts of appropriateness’ and what is understood to be right and fair.³⁷

In conclusion I would like to highlight four cross-national points. First, the institutional design of local governance arrangements matters. Structures and decision-making processes are not the whole story when it comes to defining ‘good governance’. But institutional design can either hinder or promote effective and accountable civic leadership and public involvement. It follows that further comparative, urban research should be carried out on the relative merits of different urban governance models. I have suggested five criteria – at the end of Section 2) – that could be used to evaluate alternative urban (or metropolitan) governance models. These are intended to be suggestive, rather than conclusive. It is important that future studies evaluate governance reforms from different perspectives. Reorganisations usually result in a

³⁵ Gross J. S. (2007) ‘Diversity and the democratic challenge’ in Hambleton R. and Gross J. S. (eds) (2007) *Governing Cities in a Global Era*. Basingstoke and New York: Palgrave, pp 73- 91.

³⁶ See, for example, Benavides A. D. and Hernandez J. C. T. (2007) ‘Serving diverse communities – cultural competency’, *Public Management*, July, pp14-18.

³⁷ Frederickson H. G. (2005) ‘Transcending the community: Local leadership in a world of shared power’, *Public Management*, Vol 87, No 10.

redistribution of power and influence, and urban scholars can make an important contribution by examining these distributional effects.

Second, it seems clear that public service innovation – defining it, understanding it, developing practical ideas on how to promote it – is a very important topic now, not just for urban government and governance, but also for those concerned with public services as a whole. There is light weight thinking in this area and more than a little lofty rhetoric. Scholars can play an important role in advancing thinking about public service innovation and helping public service leaders move beyond performance management regimes that seem to be increasingly outdated.

Third, as part of this, there are opportunities for enhancing community involvement in decision-making within cities and city regions. When compared with twenty years ago great strides have been made in relation to community empowerment. Thousands of local authorities and community-led initiatives across the world testify to the value of developing inventive approaches to community involvement. There would seem to be considerable opportunities here for improving communication of good ideas from one country or city to another.

My fourth and final point relates to the importance of cultivating and developing civic leadership. There is anecdotal evidence to suggest that civic leadership can, with the right kind of encouragement, make a major difference to urban fortunes.³⁸ I have presented a new conceptual framework for thinking about (and developing) the leadership capacity of particular places. This approach to civic leadership – which I also describe as ‘place-based’ leadership - distinguishes three overlapping realms of leadership. All three realms are important and all need to be nurtured. This has implications for leadership development programmes at local, regional and national levels. For much of the time we are investing in a ‘silo’ approach to leadership analysis and development. A consequence is that break-through practice linking leaders in the different realms of leadership together is sorely under developed. The civic leadership conceptual framework presented in this paper highlights the dynamic interplay between those operating in different realms. Effective ‘place-based’ leadership involves actors from the different realms building new kinds of relationship. Moreover, successful innovation often involves the empowerment of local communities in intriguing new ways. It follows that the public service innovation agenda is enmeshed in important ways with the revitalising local democracy agenda.

Author contact details

Email: robin.hambleton@uwe.ac.uk

³⁸ One small study that lends weight to this view is the *International Insights* series of articles prepared by the author for the UK Improvement and Development Agency (IDeA) in 2008. See: www.idea.gov/international

