

Preface

Increasingly leadership and institutional factors are being seen as playing important roles in the process in regional endogenous growth and development. The so-called 'new growth theory' emphasizes endogenous processes and while some of the literature does refer to leadership and institutional factors, including entrepreneurship, there has been little analysis of the explicit roles that leadership and institutional factors play in the growth and development of cities and regions, and in particular there seems to be no published material that attempts to model and measure the impacts of leadership on regional growth and development and limited work that considers such a role for institutions.

In this book we set out to give explicit attention to the role of leadership and institutional factors in the growth and development of cities and regions. Our objective is to provide a detailed rationale for the study of leadership and institutional factors, including entrepreneurship, in the growth and development of cities and regions, and to demonstrate why leadership, institutions and entrepreneurship can – and indeed do – play a crucial enhancing role as key elements in the process of regional endogenous growth.

The book is organized into ten chapters and two parts. The introductory chapter provides a brief overview of the evolution of the new growth theory in regional economic development in which the emphasis is on endogenous factors. We discuss leadership and institutional factors in that context.

Part I of the book contains five chapters in which we focus attention on endogenous processes. In Chapter 2 we discuss a framework for regional endogenous development which incorporates a 'virtuous circle' for the sustainable development of a region. The chapter proposes what we call a 'regional competitiveness performance cube' (RCPC) as a conceptual model in which the interplay between regional resource endowments and market fit, on the one hand, and leadership and institutional factors, incorporating entrepreneurship, on the other hand, may interact to propel a region on a path of enhanced growth and development. A 'new model framework for regional endogenous growth and development' is proposed, which explicitly incorporates these factors as mediating variables in the model.

In Chapters 3, 4, 5 and 6 we focus the discussion in turn on 'resource endowments and market fit', 'leadership', 'institutional factors' and 'entrepreneurship'. The chapters provide a discussion of the nature of those factors and

how they affect and/or enhance the process of regional growth and development. Those chapters incorporate reference to some of the key literature on those topics.

Part II of the book contains three chapters of 'case studies' of cities and regions from around the world in which we highlight how leadership and institutional factors have enhanced the regional development process. Chapter 7 has case studies on places in the US, while Chapter 8 has case studies from Europe and Chapter 9 has case studies from the Pacific Rim region. The case studies reviewed in these chapters are from already published works, and are chosen to explicitly demonstrate how leadership and institutional factors have played crucial roles in the development of the particular city or region in question and how those factors have played crucial roles in the endogenous growth and development process, especially as catalytic factors in helping turn around regions that were in decline.

The final chapter proposes a new 'operational model framework of endogenous growth and development' which incorporates proxy measures of leadership, institutional factors and entrepreneurship as variables that mediate the impacts of resource endowments and market fit on regional growth, placing emphasis on the effects those endogenous factors may have on the development of cities and regions. There is a discussion on how to operationalize the model.

This book represents 'work in progress', and much remains to be done in empirically testing the new model frameworks of endogenous regional growth and development that are proposed. As we discuss in Chapter 10, that presents considerable challenges because of the lack of readily available information and data bases to generate the variables on leadership and institutional factors that are required to operationalize the new model framework discussed.

However, we trust that this book does demonstrate the potential significance of leadership and institutional factors, including entrepreneurship, as key intervening or mediating factors in the process of regional endogenous growth and development. We believe it fills a notable gap in the regional science literature that focuses on endogenous growth within the context of the 'new growth theory'.

Robert Stimson and Roger Stough
October 2007