

Leading Strategy in Shrinking Cities

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Abstract

This paper puts forward a conceptual framework of the strategy process which treats decline and crisis as an integral element of the search for locally appropriate responses to urban shrinkage. Rather than replicating unsuccessful attempts to create economic growth and competitive advantage in cities that have not been growing for many years, local leaders from all sectors need to be better supported in finding ways to generate local responses to urban shrinkage within policy frameworks that tend to offer very limited support for shrinking cities. This paper challenges assumptions that strategy is about the continuous increase in prosperity and argues for a strategy process which tackles the causes and consequences of decline with resources that local stakeholders can control. The paper concludes with arguments that professional development and higher education programmes need to place stronger emphasis on models of leadership and strategy which reflect the practical challenges associated with gaining control over long term decline.

Key words: Strategy, leadership, collaboration, governance, professional development

1. Introduction

The ever growing number of reports and studies on urban shrinkage create an increasingly differentiated picture of the seemingly intractable problems local institutions and communities encounter in addressing the causes and consequences of continued decline. A key challenge for those who lead or contribute to strategic debates on the future direction of their city is to find plausible answers to questions on how to bridge the gap between the city's past and its projected future which points to further decline rather than growth. Accounts of local responses to urban shrinkage suggest that business, public and civil society leaders are unfamiliar with the dynamics and impacts associated with long term socio-economic decline, which gives rise to a prevailing sense of confusion about what should be done to deal with shrinkage. Hence we find that local decision makers invest dwindling resources in the maintenance or 'conservation' of what they perceive to be their strategically important socio-economic assets which are, more often than not, testimony to a city's historic ability to generate growth rather than assets for its development in the foreseeable future.

Overcoming denial and admitting that previous attempts to reverse decline have largely failed to restore a city's fortunes are one part of the problem. The pre-eminent logic of markets and competition which informs much of local strategic development offers a further explanation as to why shrinking cities struggle to develop appropriate responses to shrinkage. This paper focuses on a related, but quite different, reason for the difficulties associated with the development locally appropriate responses to shrinkage, namely the lack of a model for the strategy process which makes decline integral to and the baseline of any new vision for the future. Strategy is not about a continuous process of generating increases in prosperity and economic growth. Strategy must take into account the decline and demise of structures, processes and entire institutions, particularly in shrinking cities where decline is the dominant driver for change. The model of the strategy cycle presented here responds to this challenge by providing support to decision makers who need to guide the strategy process from constraint to a position of strategic choice.

This paper takes as its starting point the dominance of neoliberal arguments in relation to public policy and public services. A discussion as to why shrinking cities might struggle to develop strategies not rooted in notions of economic growth and competitive advantage provides the context in which a model of a strategy cycle is presented which embraces decline as well as growth. Following a discussion of theoretical and practical implications arising from the adoption of a strategic perspective which departs from assumptions that continued growth is the path which leads to prosperity, the paper concludes with suggestions to enhance research and the exchange of knowledge to support those who lead our cities today and in future.

2. Barriers to developing strategic responses to shrinkage

Neoliberal criticisms of government as being too big, too inefficient and too expensive have fuelled public sector reforms since the 1980s with the key ambition to increase competition while reducing the size and influence of state. Strategy was to be market driven and preferred solutions to societal problems were managerial in character. The leaders in this

era of 'New Public Management' were praised for short term efficiencies, the ability to make deals and a focus on results (2004; Rhodes, 1994; Hood, 1991). In recent years the theoretical foundations of this doctrine have been fundamentally challenged, in part because core concepts and practices of the 'New Public Management' are based on manufacturing processes and the provision of private goods which is different in fundamental ways to the provision of public services (Osborne, 2010a). Claims about the benefits of managerial and market principles have also become increasingly difficult to sustain (Denhardt and Denhardt, 2008; Hood and Peters, 2004) and are subject to continued challenges (Taylor-Gooby, 2013a; Taylor-Gooby, 2013b). The now widely accepted concept of 'New Public Governance' (Osborne, 2010b; Newman, 2013; Newman, 2005) provides a helpful framework for the exploration of the collaborative processes between public, civil society and business actors which generate solutions to the complex problems we face today. As such New Public Governance sees complexity and fragmentation as key challenges, rather than the inefficient management of public services. Equally important for our discussion here is that a focus on governance, rather than management, advocates collaborative working as the appropriate response to contemporary socio-economic and environmental challenges, not enhanced competition.

Research on how cities are dealing with urban shrinkage suggests that the pre-eminent framework for strategy development in a context budgetary austerity and ongoing economic crisis continues to focus on creating advantage through the rigorous application of business management principles in relation to all parts of public policy (Buck et al., 2005; Tomaney, 2009; Bristow, 2010). Detroit is the iconic example where strategies of public budgetary austerity, deregulation and incentivised private development have left local government bankrupt and local communities devastated (Zavattaro, 2014; Neill, forthcoming; Draus et al., 2014). While most shrinking cities may not encounter such extremes, encouraging private investment continues to form a central element of local as well as national strategies aimed at creating a way out of decline (Schindler, 2014; Peck, 2014). Peck's arguments about the nature of 'Austerity Urbanism' (Peck, 2012) illuminate how the neoliberal discourse permeates strategic responses to urban shrinkage. The 'preferred solutions' to shrinkage revolve around a reduction of social welfare and public services, improving competitiveness and putting responsibility for wellbeing and opportunity on the individual. Ongoing decline is seen to be a consequence of inadequate strategy and leadership and as such largely self-inflicted. Rather than leading to a fundamental re-thinking of the rationale for such paradigms and practices, the neoliberal discourse presents the profound problems of shrinking cities act as a warning: 'if you do not compete successfully then this is what is going to happen to you'.

Governments can instigate programmes designed to support cities caught up in long term decline without prioritising competitiveness and growth. One such example is the German Stadtumbau policy within the framework of the Soziale Stadt (BMUB, 2014) which has been found to provide important investments to assist municipalities to deal with shrinkage. Here the primary objectives were to enhance the capacity of local actors, first to deal with the immediate socio-economic and environmental problems resulting from shrinkage, and second to equip them to arrest the spiral of decline. However, even such well intended strategic policy interventions seem to do little to change patterns of entrenched uneven development and deepening disadvantage in cities left behind in the global race for competitive advantage in Germany and elsewhere (IBA, 2010; Bontje and Musterd, 2012;

Haase et al., 2013a; Martinez-Fernandez et al., 2012a). Furthermore, as far as Europe is concerned, established policy rationales for smart, sustainable and inclusive growth (European Commission, 2014; European Commission, 2010) are unlikely to offer much support for cities which have very limited scope for growth in the foreseeable future. For example, we find no explicit reference in the regulations for the 2014 – 2021 programmes to cities affected by demographic change and population decline although it is now recognised that the long term development trajectory of Europe's shrinking cities is primarily determined by population loss and declining birth rates (Tosics et al., 2011; Reckien and Martinez-Fernandez, 2011; World Bank Group, 2015). A similar situation is found in non-EU countries where national policy fails to address urban shrinkage explicitly as a recent report by the OECD shows (Martinez-Fernandez et al., 2012b). In a context where the policy discourse is so resolutely focused on 'growth', and where government interventions specifically aimed at shrinking cities are far and few between, many cities with poor growth potential are in danger of losing out twice: first in the competition for private sector investment and then in the competition for governmental or European resources to finance welfare, environment and employment initiatives.

When taken together we see that shrinking cities face a formidable combination of challenges which are a barrier to developing strategic responses which promote ideas that differ from those based on competition and growth. These barriers include deep public budgetary austerity and prolonged economic crisis which sustains pressures on public agencies to reduce costs, which in turn reduces their capacity to address long term and complex problems; the elevation of the principles of New Public Management as being central in finding solutions to shrinkage, rather than those of New Public Governance; and rewarding the capacity to grow while penalising diminished abilities to create wealth and compete successfully by non-investment through state and commercial agencies. It is no surprise therefore that shrinking cities adopt strategies which claim to deliver some form of competitive advantage over other cities in order to secure investments from whatever source they can get, even if these do not address the causes and consequences of shrinkage.

However, regardless of such challenging national and supra-national contexts, shrinking cities can and must find ways to develop responses to shrinkage which reflect local circumstances (Bontje and Musterd, 2012; Haase et al., 2013b; Pallagst et al., 2009). Despite the complexity and variety of the causes and symptoms of shrinkage, Rink et al. (2014) argue that cities have essentially two strategic options to develop strategic responses in the current policy context: either they adopt a 'pro-growth governance' approach where 'pro-growth coalitions' between elected members, officials and business create a relatively stable policy framework in which partners combine resources and competences to initiate growth. Or, in situation where cities rely heavily on governmental spending to sustain themselves, they adopt a 'welfare governance' approach (Pierre, 2011) driven by 'grant coalitions' (Bernt, 2009). Paradoxically, where central government support is very limited, private interests assume a prominent position in local decision making processes leading to the adoption of 'pro-growth governance' practices although these are entirely inappropriate for many shrinking cities. Being heavily dependent on governmental support and private investment at the same time, yet not receiving either in sufficient measure, shrinking cities tend to create weak and contradictory governance arrangements which result in incoherent strategies:

“The arrangements of urban governance under conditions of urban shrinkage are characterized by incoherence due to the fact that they follow two contradictory ‘poles’: the ‘entrepreneurial city’ and ‘logics of bureaucracy’. Thus, policy is only partly oriented towards the real problems facing the shrinking city such as housing vacancy and falling school roles. As a result, coherent approaches that enable the cities to deal with the challenges of urban shrinkage strategically are made particularly difficult and are, in reality, hard to achieve.”
(Rink et al., 2014: , p.264)

Many scholars point to the central importance of locally appropriate governance arrangements, the utilisation of local assets and the engagement of civil society in the development of strategic responses in contexts of continued decline (Cowell, 2014; Bernt et al., 2013; Pallagst, 2010; Pallagst et al., 2013; Wiechmann and Pallagst, 2012). Others suggest that strategic responses to shrinkage must be embedded in local cultures, institutional configurations and tangible opportunities for change (Bernt et al., 2013). These argument point to forward strategies that are based on principles such as collaboration, sustainability, reciprocity and which pursue softer outcomes such the empowerment of civil society, the development of the social economy or the co-production of welfare services (Pestoff, 2009; Pestoff et al., 2012; Zimmer and Freise, 2007). The managerial aspects of embedding local political, administrative and cultural contexts in the strategy process so that such softer outcomes become achievable are the subject of current research on strategic management in public services (Joyce, 2015; Ferlie and Ongaro, 2015). But such ‘soft’ perspectives on the nature, purpose and outcomes of strategy are largely at odds with the focus on financial and economic gain in mainstream strategic thinking. We are still at an early stage of developing answers to questions about how local leaders can be supported in developing strategic responses to shrinkage which do not replicate unsuccessful previous attempts to create economic growth and competitive advantage. The model presented in the next section goes some way towards assisting cities in overcoming the dominance of strategies inspired by neoliberal thinking to support the development coherent strategies for shrinking cities which reflect local context and locally appropriate goals and outcomes.

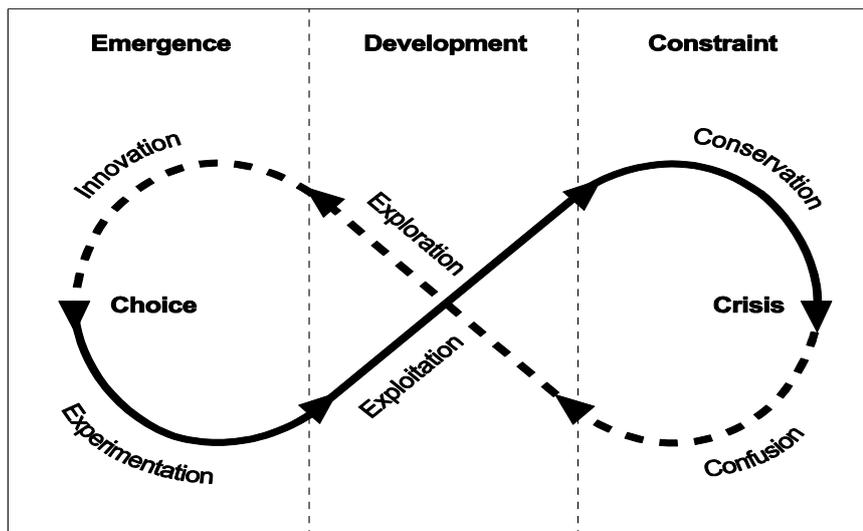
A model of the strategy process that embraces continued constraint

Local strategies to address shrinkage typically refer to specific service level issues, such as education, health, land use, transport or housing as well as to higher level goals such as supporting certain industrial sectors or integrating social, economic and environmental actions to reduce the size of the urban infrastructure for example. Regardless of the focus, the fundamental purpose of strategy is to achieve a ‘fit’ between internal resources and capabilities and external demands or opportunities. How this can be achieved is the subject of a seemingly endless stream of publications, almost all of which are concerned with private enterprise and as such are focused on creating or maintaining competitive advantage. The literature explicitly concerned with strategic management in the public sector receives attention from a comparatively small number of scholars (for example Joyce, 2012 ; Brookes and Grint, 2010; Howieson and Hodges, 2014; Joyce, 2015; Ferlie and Ongaro, 2015). The support offered to leaders of shrinking cities is even less developed, as is the exploration of theoretical and conceptual issues concerned with strategy (Gibney, 2013; Sotarautoa et al., 2013). This is in contrast to the rapidly growing literature concerned with urban shrinkage, full of examples of how decline can be tackled and turned into opportunities. However, these examples are context specific and therefore not well suited to generate generalisable

guidance or models. Where this is attempted, for example in the final reports of the FP7 funded 'Shrink Smart' study (Bernt et al., 2012), the messages become so general that they are of little help to those at the sharp end of developing strategic responses to shrinkage. What is needed is a conceptual framework of the strategy process which explicitly embraces situations of crisis and constraint.

One of the leading strategy theorists, Henry Mintzberg, does just that. He reminds us that strategy is not about a continuous process of development in terms of increasing prosperity and growth, but that strategy must take into account the decline and demise of structures, processes and entire institutions. Mintzberg et al. (2009) argue that for any institution to survive the test of time strategic management must embrace decline and loss as much as development and innovation (ibid. p. 341-342). Drawing on the idea of the organisational eco-cycle developed by Hurst (1995) Mintzberg et al. suggest that rational, goal oriented strategic actions eventually lead to crisis and confusion, which then stimulates a creative response, followed by the implementation of new ideas through established management processes which in turn ushers in a new cycle beginning with crisis and confusion. Hence strategic management is not a linear process but '*...an unending looping between crisis and renewal.*' (ibid. p.342).

The idea that our social world is in an ongoing cycle between crisis and renewal reflects arguments of 'creative destruction' (Schumpeter, 1934) which stress the need for accepting that strategic capabilities which generated prosperity in the past must at some point be replaced with new ways of doing things. Mintzberg argues that strategic management must embrace decline and destruction as much as development and innovation if the organisation intends to stay aligned to its ever changing environment, which is after all the fundamental pre-requisite for success and the core purpose of strategic management actions. The diagram below illustrates these ideas. It is adapted from the model developed by Mintzberg et al. (1998, 2009) to relate the distinctive challenges shrinking cities encounter to the cyclical nature of the strategy process. The model also draws on a further development of Hurst's work in which the exploration and exploitation of new opportunities during the developmental strategy phase are identified as being of central importance (Crossan and Hurst, 2006).



Model of the strategy cycle for shrinking cities, based on Mintzberg et al (2009)

The solid line in the model above represents the conventional 'performance' part of the cycle on which much contemporary management education and practice as well as public policy are focused. The dotted line represents the 'learning' part of the cycle, which is characterised by uncertainty and tension between the status quo and possible alternatives. Dividing the process into three sequences allows us to distinguish between predictable, intentional and goal oriented 'development' processes that can be expected to deliver desired outcomes. The 'emergence' and 'constraint' sequences, in contrast, present a departure from notions of continuity and suggest that the development of predictable forward plans is problematic at times of decline and also at times of innovative development.

This model is well suited to guide the strategy process in shrinking cities because the starting point for strategic analysis is clear. Shrinking cities find themselves beyond a point where growth oriented forms of economic and social development are effective in arresting and reversing decline. Investments seem to preserve strategic capabilities rather than create new ones. Choice is limited and strategic options are constrained. Leaders and citizens are confused, struggling to make sense of the failure of their attempts to improve the current situation and lack a vision of what a more prosperous future might look like. Cities which find themselves at this point in the cycle need to set in motion a process of exploration through which new initiatives can emerge from the institutional, social and environmental resources that are left behind. Exploration is about searching, risk taking, seeking variation, discovery and flexibility (March, 1991), and as part of strategic analysis it is about reconceptualising the purpose and functions of the city in its current context. Hence we need to conceive of this stage as being a learning process that is collective in nature, and one that draws heavily on the contribution of citizens, businesses and public agencies. There are a number of techniques available to undertake such explorations, for example scenario planning as a modelling tool (Waddell et al., 2003; Pallagst et al., 2009) or planning for real and Charrette workshops as methods which engender public participation (Parham, 2011; Anderson et al., 2010). However, in order to re-envision the future of a city that has been in decline for long periods of time, the outcomes should not be pre-determined. This means that public, civic

and business leaders need to be seeking variation, discovery and risk, accepting that the outcomes of such explorations will most likely lead to strategic choices which are different to those which were pursued in the past. A good example is the case of the small manufacturing town Altena which went through a similar process to generate a coherent strategy to counteract the dynamics of 30 years of decline (Schlappa, forthcoming).

Innovation and experimentation are primarily emergent actions and similar to the discontinuous and unpredictable changes taking place at times of crisis. But unlike the right hand of the cycle, emergent actions create strategic choices. There are multiple types of innovations possible, such as service, technological, conceptual, systemic or policy innovations and the literature on these topics is too voluminous to be given justice here. While the public sector has traditionally been seen as inhospitable to innovation, it has become a key driver for public sector change (Wallis and Goldfinch, 2013). We now witness a rapidly growing body of research and practice which is concerned with the improvement of services, institutions and policies (Osborne and Brown, 2013a). While there is a debate about its definition (Centre for Social Innovation, 2010; Pol and Ville, 2009) there is some agreement that social innovation is not linear and that the end outcomes are associated with contributing to the 'public good' through social actions (Mulgan, 2010; Mulgan, 2007). Given the limited resources available to those who are leading public, civic and commercial institutions in shrinking cities, their ability to mobilise their stakeholders to facilitate social innovation would seem crucial to generate new solutions to the protracted problems they face.

Part and parcel of innovation are entrepreneurs who experiment with new business or service models, such as social enterprise (Defourny and Nyssens, 2008) or which work from within established organisations to alter bureaucratic structures and create new collaborative alliances (Radnor et al., 2013). The important role of individual champions in leading innovations is well documented as is the importance of a culture that is open to change, a willingness to take risks and unconventional approaches towards achieving desired outcomes (Laegreid et al., 2012). Given that conventional approaches towards regeneration have largely failed in shrinking cities they can be expected to provide fertile ground for all manner of innovation and entrepreneurship. The literature provides us with a growing body of examples where such innovations and entrepreneurship flourish in contexts of shrinkage and decline (Murtagh, 2015 forthcoming). What is often lacking is an explicit connection between strategic analysis focused on re-envisioning the future of the city and the resulting emergence of innovation and experimentation. The adoption of the strategy cycle as a model to guide strategic analysis and implementation would assist in identifying and exploring these connections.

The innovation and experimentation stage of the strategy cycle is characterised by trial and error, hence it is unlikely that all innovations will succeed. Over time competition and available resources will lead to a selection of locally appropriate products, services and the organisational or governance processes most suitable for them. It is at this point, Crossan and Hurst (2006) argue, that a switch to conventional strategic management tools is required which are based on goal orientated, purposive intentional and rational actions. The distinct theoretical perspectives that underpin such traditional strategy actions are well understood (Mintzberg et al., 2009; Shafritz, 2001) and it can be expected that many actors involved in local strategy have some notion of the tasks associated with strategy development and

implementation. However, the challenges associated with the development of innovative, locally appropriate strategic responses to shrinkage should not be underestimated (Rink et al., 2014) in part because individuals who lead local institutions have most likely not received much training to define outcomes, time frames, resources and targets for interventions that are not aimed at economic growth and enhanced competition. There is also a danger that the exploration of new options is dominated by actors experienced in the rational, purposeful and goal oriented implementation of strategic choices that have been made, posing a potential barrier to the creation of new choices. A tendency to recycle old 'solutions' is perhaps one of the root causes why many cities struggle to extract themselves for a cycle of ongoing decline.

Discussion

Those involved in leading strategy of shrinking cities face formidable challenges. Not only is the multi-level and multi-dimensional nature of urban development and governance complex; different societal stakeholders and institutions, as well as services and stakeholders within institutions, are at different stages of the strategy cycle making the exploration of different futures a fragmented and disjointed process. Furthermore, the discontinuous nature of both shrinkage and the emergence of new choices create high levels of risk and uncertainty around innovations which undermines established institutional logics (Osborne and Brown, 2013b). This in turn activates multiple and often conflictual stakeholders who resist change because pursuing individual interests within established frameworks is more predictable than entering into collaborations with competing interests to create new ones (Bovaird, 2005). For local strategy to be more than the re-allocation of diminishing resources and the recycling of old ideas, municipalities would need to be in the vanguard of the New Public Governance, adopting collaborative, interactive approaches which embrace the complexity associated with profound social, institutional and economic change. But, as we have seen, the harsh realities of developing responses to decline work against such aims. Leaders struggle to develop answers to such complex challenges – and nowhere does this become more apparent than in cities that have been trapped in an ongoing cycle of decline.

Changing the way leadership is perceived and practiced would go some way towards addressing these challenges. Sotarauta et al. (2013) argue that managing the complexity of contemporary problems it is no longer primarily a technical issue concerned with the appropriate application of established techniques or processes but that we need to reconceptualise ideas of leadership in local and regional contexts: *"Consequently, we need approaches to governance and leadership where the point of departure is not necessarily the search for the right answers; instead, it is about how people contending with wicked issues from different standpoints and perspectives can join forces in the search for new questions and new answers."* (ibid., p.7). Much has been written about leadership but the current turn towards shared or distributed leadership (Bolden, 2011; Currie et al., 2009; Thorpe et al., 2011) supports arguments that contemporary approaches to solve problems are collaborative and explorative. They have to represent themselves as well as places, have to work across institutions and stimulate change without formal power and they need to seek the meaningful inclusion of views of stakeholders who tend to be excluded from the strategy process (Brookes and Grint, 2010). The New Public Governance concept chimes well with these ideas of shared and distributed leadership, suggesting that strategic

processes are collaborative, contingent on context and differentiated in terms of goals and outcomes.

While leaders of shrinking cities might encounter fewer choices and more constraints than their peers in other places, there is a clear need to adopt practices which depart from conventional, hierarchical and competitive notions of leadership. Gibney (2013) points to the importance of changing competitive prescriptions of winning, out-performing rivals and 'us versus them' with a concern for a more socially responsible and inclusive view of leadership: *"In summary, this 'new' leadership of place is concerned with: facilitating interdisciplinary working across institutional boundaries, technology themes, sub-territories and professional cultures to promote the development of sustainable local economies; and ensuring the comprehensive engagement of local communities so that they can both contribute to, and benefit more fully from, the outcomes (avoiding the danger of exacerbating social polarization)."* (ibid. p.25). Yet despite compelling arguments that strategies aimed at arresting and mitigating the socio-economic impacts of decline need to focus on local resources as well as institutions and networks that facilitate reciprocity rather than pursuing individual gain (Peck and Tickell, 2012), there seems to be a void in regard to material used in teaching and training leaders in adopting such collaborative practices.

Successful leaders have learned how to deal with the left hand part of the strategy cycle shown here and benefit from mature strategic management concepts focused on the creation and exploitation of opportunities that lead to economic growth and prosperity. We know much about how to be a competitive, winning and growing city, but when it comes to the exploration of strategic options that are based on prolonged shrinkage and decline we have few conceptual tools to assist in the development of coherent strategic responses. Decline, it seems, is considered to be an exceptional situation that needs to be avoided and if that is no longer possible the situation requires a 'turnaround' towards growth. A cursory review of the contemporary strategic management literature shows that the toolkit associated with the management of decline consists of concepts such as 'downsizing', 'consolidation', 'de-layering' and 're-engineering' all intended to cut unnecessary functions, structures and processes in order to return to growth. Translated into New Public Management practice this means reducing the capacity and capabilities of public agencies, de-regulation and incentivised private investment, which, as we have seen, result in incoherent strategic responses to decline. Detroit is an example where such policies and practices were taken to the extreme. As long as the management of 'crisis' is perceived as separate and second best to the management of 'growth' the leaders of shrinking cities will struggle to make urban shrinkage acceptable and to rally the resources of their stakeholders around new vision that set out how to make their city a better place to live without necessarily creating superior competitive advantage.

While it is important to recognise that shrinking cities struggle with making a connection to the part of the cycle which engenders innovation, experimentation and the exploitation of new opportunities which might lead to some re-growth or at least assist the city in pro-actively steering the shrinkage process, there is a danger in seeing the management of crisis as being separate from the management of growth. If strategies that create choice, innovation and entrepreneurship are for growing or 'successful' cities, it follows that cities without growth potential are doomed to manage perpetual crisis and ultimately the death and abandonment of the city. Such a stance is clearly not tenable but, most likely

unintentionally, much of the current Europe 2020 policy seems prioritise investments in areas that have growth potential, thus relegating shrinking cities to the bottom of the policy priority list. Instead of relegating strategic management in shrinking cities to processes which aim to control and contain 'crisis' we must encourage and support local leaders to embrace crisis as part of a process of renewal. Renewal not in terms of attempting to copy what successfully growing cities are doing, but renewal of ideas about how we can collaboratively search for new questions and also new answers on dealing with shrinkage and decline.

Implications for professional development, teaching and research

Shrinking cities are cities in transition. They are places of intractable problems but they are places of opportunity as well. Current economic and demographic forces have a transformational impact on most urban places but there is no rational argument as to why these forces should prevent innovative response in places of decline. This paper points to the need to perceive the principles and purposes of leading strategy in a different light to that of competition and growth. The strategy cycle presented in this paper provides a useful heuristic tool to help those involved in leading and governing a city to reflect on their position in the cycle and what the next step might be in order to move matters towards a stage where choices can be developed and then exploited.

What is needed now is the diversification of professional development programmes for leaders in public, civil society and private sectors to include concepts that offer alternatives to models rooted in assumptions about the primacy of economic growth and gaining advantage over others. The recently approved URBACT III programme would provide an excellent opportunity for such 'capacity building, among practitioners currently fighting decline in shrinking cities, but also those who are not yet facing or admitting that decline rather than growth is the most likely future development trajectory. But only a relatively small number of cities can participate in the forthcoming URBACT III programme and given that hundreds of European cities are shrinking (Bernt et al., 2012; Haase et al., 2013b) more needs to be done. Consideration could be given to establish professional development programmes for people in leadership positions in cities that are shrinking or in danger of entering a cycle of decline. This could be done through existing professional institutes for public and business leaders, government agencies for locally elected politicians and civil society organisations for the governing bodies of local charities. A fraction of the sums set aside in the Europe 2020 programme for social interventions could fund bespoke capacity building programme for cities in decline, which in the long run might have far greater impact than expensive economic development initiatives in places where there is no realistic prospect of generating economic growth.

We cannot stop there, however. The next generation of chief executives, council leaders, mayors and social entrepreneurs need to be equipped with conceptual and practical tools that allow them to explore and exploit non-growth developments which bring benefits to local populations. This means bringing topics such as social capital, social entrepreneurship, collaborative practice and many more into the mainstream of strategic management research. The scholarly community is partly to blame for elevating role models which exemplify 'winning' to iconic status, rather than honouring the capacity to make business work for the common good (Khurana, 2007). Is it not time to reflect on our own practices and

the stake we hold in perpetuating crisis in places left behind in the global race for profit and focus our energies on supporting those who live in such places in developing alternative ways of creating prosperous and sustainable communities? Undertaking more research on how to move from crisis to choice in contexts of severe constraint should be a priority. Exploring innovative leadership approaches towards engaging local stakeholders in analysis, formation and implementation of strategy is equally important. Changing the curricula of our post graduate and under graduate programmes of study to foster the development of leaders who can see the value of exploiting developments that go beyond growth and prosperity in purely profit and narrowly economic terms is perhaps something we should do sooner rather than later.

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