

INVOLVING THE PRIVATE SECTOR IN LOCAL ECONOMIC DEVELOPMENT AND
IN PROGRAMMING THE FUTURE OF THE CITY

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SOMMARIO

Le città sono sempre più simili a imprese, in concorrenza con altre città sul mercato globale per garantire l'occupazione e il benessere dei propri cittadini. Di fronte a questa sfida, le città cercano sempre più la collaborazione di altri attori locali. Si parla di *urban growth coalitions* quando i membri della locale *business elite* sono coinvolti nella formulazione e nella realizzazione di un programma di sviluppo strategico mirato alla rivitalizzazione della città. Poiché il coinvolgimento del settore privato nelle *urban growth coalitions* è completamente volontario, la questione di cosa motivi queste persone ci aiuterà a comprendere meglio la fattibilità e la desiderabilità del coinvolgimento del settore economico nello sviluppo urbano. Benché molti ricercatori abbiano riconosciuto che ci sono probabilmente ragioni diverse dall'interesse finanziario o dagli incentivi selettivi dietro alla decisione di venire coinvolti, la partecipazione degli uomini d'affari nello sviluppo economico locale non è mai stata studiata al livello micro. Una tipologia di motivazione al livello micro, sviluppata nell'abito del Management delle risorse umane, è usata per analizzare la motivazione di nove imprenditori e manager di alto livello coinvolti nella *urban growth coalition* di Sheffield (UK). In conclusione possiamo dire che l'interesse finanziario o gli incentivi selettivi spiegano solo parzialmente il coinvolgimento della *business elite* e che altri motivi, basati sui bisogni individuali risultano più importanti. Questa conclusione mina le teorie esistenti e la loro valutazione critica delle *urban growth coalitions*.

1. INTRODUCTION

Cities faced with economic challenges increasingly involve other local actors, like the business elite, in the process of developing, implementing and promoting a strategic urban revitalisation plan. Specialised cities with an outdated economy are likely to be most aware of the need to replace relocated jobs and failed companies with alternative sources of employment. The necessity to actively implement change is, however, not limited to just a few unfortunate local economies. As a matter of fact, all cities do need to think about their future in order to retain a healthy economy and to safeguard employment, services and quality of life for the local population in particular the young people for whom it is so easy to leave or not come back (brain drain).

The need to revitalise the local economy and actively construct the future is felt in practically all European cities. However, whereas some cities have already gone through this transition and have taken more or less successful measures to face future challenges, other cities may only just start to realise the necessity to adopt a proactive approach to economic development. Some cities have had to face strong economic decline and the concomitant need to respond as much as twenty to twenty-five years ago, for example the steel city of Sheffield (UK).

The need to adjust the local economy by adopting an entrepreneurial proactive, instead of a more traditional managerial approach to economic development, is generally attributed to a number of economic changes and political choices: global economic restructuring; the shift from competition based on cost to competition based on quality, flexibility, innovation and specialisation as recognised by Schumpeter; and the political choice to change from a Keynesian to a Neo-liberal governing approach.

Whereas the involvement of the business sector in formulating revitalisation policy was and often still is a unique local event, the fact that it has practically become a necessity to involve the business community in projects in order to obtain financing from national and European funds, has increased the involvement of the private sector. As a consequence it is increasingly important to understand why some business actors are willing to commit to this responsibility which is –and it is important to underline this– completely voluntary.

An important complicating factor when evaluating the involvement of private actors in urban economic regeneration is that their involvement can take on many different forms. This diversity of types of public-private co-operation forms a complicating factor when using theories of urban growth coalitions. The suitability of the theories is likely to depend on the following factors: the aim of local economic development (policy and initiatives) and the type of private actors involved. As these two factors are likely to be interconnected it is possible

that depending on the type of involvement, the participation should be interpreted and evaluated in a different way.

Variations are likely to exist also between countries. Whereas the theories explaining urban growth coalitions are all rooted in the US institutional context it is likely that the European context provokes a different type of policies and choices. In the European setting local economic development policies and the collaboration to achieve the goals is based on the creation of jobs rather than on fiscal concerns like in the US (Levine 1994 in Mossberger & Stoker 2001 p. 823). This difference in policy aims is likely to attract a different kind of private actors which are possibly motivated differently.

In this paper we will focus on one single growth coalition which has a generic strategic aim of turning around the image of the city, developing a vision and strategy for the future and identifying and implementing initiatives able to contribute to reaching these goals. In this respect its participants and their motivation may differ from coalitions with a more specific aim like, for example, raising local tax income or down-town renewal. Nine participants in Sheffield's growth coalition were interviewed at length in order to identify the motives behind their involvement.

In the following section we will discuss the three urban theories dealing with urban growth coalitions and the new-institutionalism approach which explains private sector participation in regional economic development. This overview serves to identify the reasons that are given for private sector participation. In the subsequent section we will make an argument for a micro level approach to explaining the meso level structures like urban growth coalitions. Next, a micro level framework is presented which will be used to unveil the motivation of the nine interviewees active in Sheffield's urban growth coalition. After a short description of the economic and political situation in Sheffield, a city specialised in steel production which has had to face a major economic crisis during the beginning of the 1980s, we will provide an analysis of the motivation of these nine participants.

2. THEORIES

In this section we will discuss two branches of research which deal with the collaboration of public and private actors in aid of urban or regional economic development.

Urban research which deals with urban growth coalitions adopts a political economy approach which means that a key role is ascribed to the balance between the state and the market. This type of research is rooted in neo-Marxist philosophy and as a result tends to be rather sceptical with regard to the motives behind private sector participation. Below we will discuss three theories dealing with urban growth coalitions: Growth Machine theory; Regime theory; and the less sceptical Dependency theory.

Regional research carried out by regional economists and economic geographers deals with networks supporting regional economic development. It adopts a new institutionalism approach which focuses on explaining co-operation which is considered vital for process like knowledge exchange, learning and innovation. These insights explaining the development of networks of co-operation are based on research into the success of the Italian Industrial Districts and on evolutionary economics.

In short, one could say that urban theories adopt a sceptical approach towards co-operation and the involvement of the private sector in public policy resulting in descriptive and critical normative research. Economic theories, instead, consider co-operation essential for growth and for generating innovative solutions and results in prescriptive and positive normative research.

2.1 Theories of urban growth coalitions

Three important theories, all rooted in the US political institutional context, have focussed on urban growth coalitions or the participation of private actors in urban economic regeneration.

Growth machine theory developed by the American sociologists Logan and Molotch (1987), explains the behaviour of the private actors by referring to the fact that the economic success of many companies and agencies is directly linked to urban growth. As a consequence they have an interest in the city doing well. This situation applies particularly to those companies involved in real estate, as the value of property is directly related to the place where it is located and to the vitality of that area. Although Logan and Molotch's argument is mainly based on the owners of real estate (rentiers), they also recognise other actors who have an interest in generating local economic growth. Local newspaper, providers of utilities like water and electricity, and regional financial institutions (like the German 'Stadtsparkasse'), also have an interest in generating economic growth, particularly if it goes hand in hand with an increase in population because a growing population means more customers and more profit. Because of their interest in generating economic growth these local actors have an interest in supporting the local government in their efforts to formulate a growth oriented policy. In short, for the city as a whole the metaphor of an engine (or machine) capable of generating economic growth and profit, is used.

Urban regime theory (Stone 1989, 1993) is based on the argument that local governing has become such a complicated and costly task that the public sector is no longer able to govern effectively. The increasing complexity of society has led to the dependency of local governments on the capacities of other local actors (private and not for profit organisations),

to combine state capacity with non-governmental resources. In short, the starting point is the interdependent relationship between the public and the private sector, and the fact that both rely on each other's power base (political power or representative democracy and economic power or the ownership of production assets respectively), to reach their goals. "The mix of participants varies by community, but that mix is itself constrained by the accommodation of two basic institutional principles of the American political economy: (1) popular control of the formal machinery of government and (2) private ownership of business enterprise" (Stone, 1989, p. 6). Although there are other private actors than the business sector, like labour-union officials, party functionaries, officers in non-profit organisations or foundations, and church leaders, Stone focuses on business interests because "businesses control politically important resources" (Stone, 1989, p. 7).

The interdependence of political and economic power can lead to the development of what Stone calls regimes. The most complete description that Stone gives of what a regime actually is and how it functions, is: ...*"an informal yet relatively stable group with access to institutional resources* that enable it to have a sustained role in making governing decisions. What makes the group informal is not the lack of institutional connections, but the fact that the group, *as a group*, brings together institutional connections by an informal mode of co-operation. There is no all-encompassing structure of command that guides and synchronizes everyone's behavior. There is a purposive coordination of efforts, but it comes about informally, in ways that often depend heavily on tacit understandings" (Stone, 1989, p. 4, italics in original).

Not the whole regime is always involved in making governing plans. Stone stresses that the core group, a body of insiders who meet regularly, is most active and forms the governing coalition. A group of actors coming together in order to develop a certain project after which they go their own way is not a regime. "One hallmark of a regime is the willingness of actors to maintain membership of the coalition even when it is working against their short term interests" (Painter, 1997, p. 129).

The academic innovation that Stone introduces with the regime theory is the shift from thinking about power in a social-control paradigm to thinking about power in a social production model. Whereas the social-control paradigm is about the cost of compliance and the fact that one party wants to have power over another party, the social production paradigm views power in a context where extensive control is out of the question. The necessity of co-operation and joining together resources in order to create power is the central argument of the social production paradigm. This means that "[t]he power struggle concerns, not control and resistance, but gaining and fusing a capacity to act – *power to*, not *power over*" (Stone, 1989, p. 229).

Stone pays much attention to the question of what brings the urban actors together, and what motivates them to co-operate. Although he recognises the importance of motivations like

reciprocity, mutual loyalty, norms, and voluntary altruism, he considered emotional commitment and enthusiasm as short-lived and insufficient to rely upon. Instead he solves the free-rider problem by referring to the importance of selective incentives as the key to co-operation and building a durable coalition. These selective incentives are benefits offered to those who co-operate which are denied to those who do not. Although these selective incentives form a very important factor in regime politics, because they keep the governing coalition together, Stone has paid relatively little attention to exploring this factor further, and establishing its importance.

The fact that he limits his argument about selective incentives to material incentives leads him to conclude that the relationship between economic and political powers in a city is not balanced. The selective incentives which he uses to explain the existence of a governing coalition, consist mainly of benefits which the business sector and not the public sector can offer. "Because the ability of Atlanta's public sector to offer selective incentives is limited, the business elite has a unique capacity to make side payments, afford small opportunities, and deliver on them as a way of coordination. It is thus able to play a key regime building role, largely on its own terms" (Stone, 1989, p. 236).

This restriction to the motivation of the actors considerably reduces regime theory's attractiveness as it is, all things considered, rooted in rational choice theory. "Urban regime theory tends to be tied to causal relations explained with rational choice theory" (Lauria, 1997, p. 8).

The main argument of Cox and Mair's (1988) **local resource dependency theory** (Cox, 1991, 1993) is that many firms and capital are still largely immobile, depend on local contacts and rely on the reproduction of social relations within a particular territory. Contrary to growth machine theory which also recognises interests rooted in place, Cox's local dependency approach is not restricted to economic or political dependencies but includes the "nonsubstitutionability of local social relations" (Cox, 1993, p. 434). "All firms [...] are locally dependent, that is, dependent on a localized set of social relations which can only be changed with difficulty" (Cox, 1991, p. 273). Among these social relations are for example local knowledge and relations of trust with suppliers or customers and the individual's socio-spatial relations linked to their roles as e.g. spouses, parents, or hobbyists. Although modern forms of dependency have to some extent replaced traditional forms of dependency, because identity which derives from career, material consumption, and status can be fulfilled in a number of places, traditional relations and forms of dependency are still important to people. As people construct relationships that are difficult to substitute and therefore difficult to replicate elsewhere, they form a reason why companies are locally dependent. In his 1993 article Cox expands his concept of local dependency into a more dynamic concept by introducing the concept of embedding; ... "the concept of locational embedding or

disembedding is more useful than that of local dependence, as it emphasises the dynamic character of the relation: people or firms *become* locationally embedded and can likewise become locationally *disembedded*, though quite why they do so will vary from one firm or individual to another” (p. 440 italics in original).

The main difference between dependency theory and growth machine theory which both emphasise the relationship between the success of the city and companies, is that Cox identifies a wider variety of local factors which can contribute to a company’s success. Besides straightforward economic growth, the wellbeing of the employees, the quality of the local institutions, the local networks within which the company is embedded and the relations of trust which have sometimes been painstakingly build-up over the years are important for the success of companies.

Summarising one could say that, in the three urban theories private actors are considered to be interested in sustaining the local economic development initiatives because their individual success or corporate growth is either through local economic growth or through the quality of the local linkages related to the success of the city.

2.2 *Theories of regional economic development*

New institutionalist theories of regional economic development adopt another approach to explaining regional economic development networks. Instead of focussing on what motivates the private sector to participate to sustaining the vitality of the regional economy they focus on identifying the characteristics of the context from which this behaviour has been able to emerge. This approach is rooted in research into the Italian industrial districts and recognises the importance of (social) institutions like shared culture, norms and values, which are able to energise a sense of trust and mutual understanding vital to the development of collaboration. The likelihood that collaboration within a region takes place is consequently measured by referring to the amount of social capital, or relations and trust that exists between different actors.

The willingness to co-operate for mutual benefit and to exchange knowledge and ideas is generally said to be facilitated by the presence of social capital. Social capital is defined as the “features of social organisation such as trust, norms, and networks, that can improve the efficiency of society by facilitating coordinated action” (Putnam, 1993, p. 167). Networks of civic engagement, such as neighbourhood associations, sports clubs, and co-operatives, are an essential form of social capital, and the denser these networks, the more likely it is that members of a community will co-operate for mutual benefit. ...”[T]he interaction among people has lead to development of norms and values able to induce subjects to work together” (Bianchi & Miller, 1995 p. 190-91). Translated to the urban context this means that when

people have been able to get to know each other either within a certain network or in concrete co-operation between networks, and when this experience has been positive, in short, when people have learned that they can trust each other and that their norms of reciprocity will not be violated, they will be more willing to engage in other networks like an urban growth coalition.

Collaboration in favour of regional economic development is explained by institutional theories by referring to the norms and values in the social networks and which either facilitate collaborative behaviour or impose it on the members in the community.

3. THE NEED FOR A MICRO LEVEL APPROACH

Although the above mentioned theories reveal aspects of behaviour and motivation, there are also a number of aspects that remain in the dark which makes their explanatory value rather limited. Whereas the urban theories can be considered under-socialised, the economic-institutional theories are over-socialised.

All three urban theories can be considered under-socialised because they assume, each in their own way a rational actor model, attributing to businesspersons behaviour deriving from optimising material self-interest.

Stone, who recognises in his study on Atlanta (1989) the existence of other motives, only takes material incentives seriously and disregards other types of selective incentives like solidary incentives and purposive incentives recognised by Clark and Wilson (1961). Solidary incentives are a sense of group membership, identification, joy, and status resulting from group membership and derive from the act of socialising. Purposive incentives are linked to the goals of the organisation and consist of the gratification of having contributed to a change which is considered important to the individual like, for example the enactment of certain laws or the attainment of –often social– aims like the elimination of corruption or the improvement of a public service.

The institutionalist theories ascribe the existence of co-operation to the norms and values which dominate in the social networks of which the people who are co-operating are part. Their motives are substituted by the norms and values that predominate in the social networks. However, whereas dominant norms and values in social networks are capable of constraining, stimulating and steering behaviour, one should avoid simply attributing behaviour to these norms and values. Cooke and Morgan (1998) point out that the explanatory value of the social context as steering mechanism for behaviour should not be overemphasised as behaviour is not a simple mechanistic response to social norms and values.

Similarly, Granovetter complains that in modern sociology the over-socialised conception of man has become generally accepted ...“a conception of people as overwhelmingly sensitive to the opinions of others and hence obedient to the dictates of consensually developed norms and values, internalised through socialisation so that obedience is not perceived as a burden” (Granovetter, 1992, p. 28). As a consequence individual behaviour has become rather mechanistic: “once we know the individual’s social class or labour market sector, everything else in behaviour is automatic, since they are so well socialised” (Granovetter, 1985, p. 486).

Also MacLeod (2001) warns us against making this easy mistake. Although he recognises the important role played by institutions and social capital, he warns against ‘soft institutionalism’. By soft institutionalism he means that although institutional thickness and social capital facilitates co-operation it should never be used to explain co-operation in economic development. In his words: “There is a danger of drifting towards a *soft institutionalism*: a tautological gap that could invoke researchers and policymakers mistakenly to envisage the presence or otherwise of a regional ‘institutional thickness’ or a local ‘social capital’ as an adequate *explanation* of uneven economic development” (MacLeod, 2001, p. 1145, italics in original).

In short, one could say that as a consequence of the fact that the impact of social structure or culture on behaviour is overestimated the interpretative and creative capacities of actors are automatically underestimated. In more general terms this means that “Looking for causal explanations in the context only [...] ignores the fact that micro-order is only loosely coupled to the macro-order” (Galaskiewicz 1991, p. 295).

The alternative which Granovetter suggests for the dichotomy between under-socialised and over-socialised explanations of behaviour is to descend to the micro level and to look at the individual’s needs and motivation. This implies that people in general are considered to be motivated by many different and not just economic needs. The fulfilment of these non-economic goals and needs should according to Granovetter not be detached from the professional economic life which generally takes up large part of the time of people (in particular business people). “[S]ince economic activity is a large part of the lives of many actors, they could hardly be expected to play out that large part in an arena utterly cut off from the chance to achieve those motives, as would be the case in an impersonal, atomized economic life” (Granovetter, 1992, p. 26). This means that business people fulfil personal needs within the (social) frameworks they know best, with people they trust most, and where they consider the fulfilment of these needs and the accomplishment of their goals most likely: in their professional networks. Granovetter embeds the actor in its social context by adopting a broader formulation of rational choice which includes goals as sociability, approval, status and power as intrinsically rational. “[T]he social nature of motives such as sociability,

approval, prestige, and power leads immediately to the problem of embeddedness, since only in networks of ongoing social relations are such motives achievable” (Granovetter, 1992, p. 27).

In this research we adopt Granovetter’s insight that actors are driven by other than just material needs and that they use the social networks they know best to reach goals related to the needs like, for example, sociability, approval, prestige, and power. This means that the members of the business community who participate in urban growth coalitions could participate for all of these reasons. We also underline that, as a consequence, solidary and purposive incentives which were discarded by Stone could turn out to be equally important as material selective incentives.

In order to unveil the real reasons behind behaviour we need to descend to the micro level and inquire into the motivation and personality of individuals. Undoubtedly material incentives and the norms and values in the dominant social networks are important, but it is likely that other motives are involved which unto now have been ignored. In the following section a micro-level model is introduced which is subsequently applied to nine members of the business community who are active in Sheffield’s growth coalition.

4. MOTIVATION AND BEHAVIOUR

Motivation is the force that energises, directs and sustains behaviour. It is important to point out that people are assumed to be goal-oriented beings whose behaviour is purposive and goal-directed. Classic theories of motivation focus predominantly on needs and behaviour is considered to derive from unmet or unsatisfied needs which instigate encourage the person to change their situation.

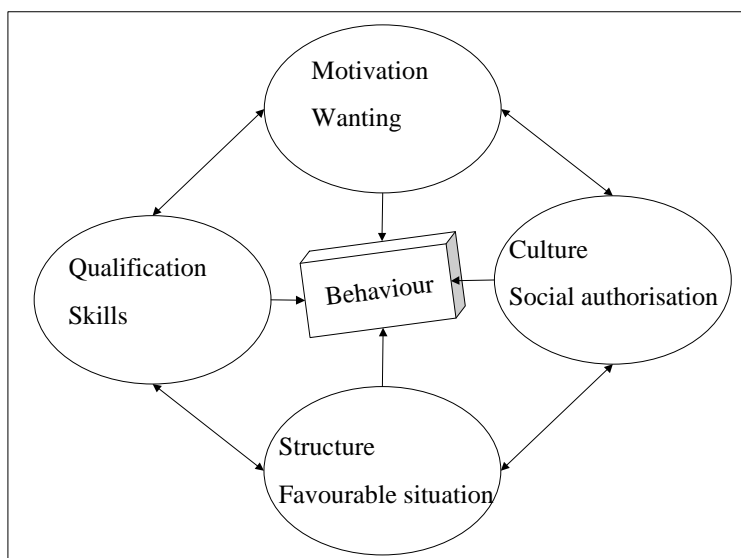
Many researchers have identified needs which drive us to do the things we do. The most important of these is Maslow who in 1954 identified in his famous hierarchy or pyramid five needs: 1) physiological needs or the basic needs for survival like food, clothing, shelter; 2) safety needs or the needs to be free of the fear of physical danger and deprivation of the basic physiological needs; 3) social or affiliation need or the need to be loved and to belong and be accepted by various groups; 4) esteem needs which entails the need for self-esteem and recognition and respect from others; 5) and self actualisation or the need to maximise one’s potential, whatever it may be. After Maslow many others have developed alternative classifications which however often overlap. In his Three needs theory McClelland in 1961 recognised the need for achievement, the need for power and the need for affiliation. Similarly, Aldefer in 1972 in his ERG theory recognises existence needs, relatedness needs, and growth needs.

Besides these so-called content theories, which are criticised because they do not give any insight into how motivation actually occurs, process theories have been formulated which deal with the development of motivation or the actual satisfying of the needs.

Different theories recognise different factors capable of determining whether needs actually result in behaviour and how the choice for alternative types of behaviour is made. Expectancy theory developed in 1964 by Vroom emphasises that the choice to carry out behaviour is determined by three factors: 'expectancy' or the likelihood that the expected result will be obtained with the energy that is invested (ability); 'instrumentality' or the perceived likelihood that the behaviour will produce the desired outcomes; and 'valence' or the value that the individual attributes to the outcome or reward which is a function of the person's needs, goals and values. Besides this theory which focuses on the expectancy that behaviour will deliver the desired results, another theory incorporates social approval of behaviour. Ajzen's theory of planned behaviour uses this factor which is weighed as each person has their own individual tendency to comply with the norm or not.

An interesting model which besides personal factors also recognises the importance of the context within which behaviour takes place, is the model developed in the field of human resource management by the Germans Rosenstiel, Molt & Rüttiger (1995) (see figure 1). From this model it becomes particularly clear that behaviour depends on the interaction between the individual and the context. Personal factors which determine behaviour consist of motivation and the qualifications or skills of a person which enable him to reach the goal. External factors are the local structure which determines whether behaviour is at all possible, and culture which determines if the behaviour is considered acceptable.

Figure 1 Factors determining behaviour



Source: Based on Rosenstiel, Molt & Rüttiger (1995)

It is important to point out that the evaluation of all these four factors takes place within the individual and that therefore the individual's perception determines whether or not the context is favourable or not for behaviour to take place. Equally the individual evaluates his or her own capabilities and weighs them in order to evaluate if the goal they want to reach adopting a certain type of behaviour is likely to satisfy their needs.

Although all these four factors are vital for the prediction of behaviour, it is important to point out that in this research we are dealing not so much with the question if and when behaviour takes place, but rather with explaining behaviour which is already happening. Therefore, the people participating in the growth coalition apparently have positively evaluated their own qualifications, and the structure and culture in the context within which behaviour has to take place. Furthermore, they have concluded that there is a high likelihood that the participation in the growth coalition will satisfy their needs and that this need is important enough for them to be motivated. As the individual's perception of three out of the four factors was positive we focus on the matter of motivation, which, as we saw above can derive from a multitude of needs, values and goals.

In order to deal with motivation we adopt the typology of motives as developed by Barbuto and Scholl (1998) and Leonard, Beauvais and Scholl (1999). Apart from merely integrating and reclassifying motivation, they have integrated the concept of 'self', which is increasingly considered to be tied up with motivation and behaviour. Self-based theories have been developed as an alternative way to explain motivation and behaviour. These theories, social identity theory, self-presentation theory and self-determination theory, are all based on the assumption that human beings have the fundamental need to maintain or enhance the perceived self and the ideal self. Thus, individuals are motivated to behave in ways that are consistent with existing self-perceptions. Depending on the personality of the person and his self-perception the classification recognises two ways in which a person can enhance their self concept: 1) by seeking external affirmation; 2) by self-affirmation through developing behaviour which supports the self image consisting of traits, competencies and values.

Barbuto and Scholl (1998) and Leonard, Beauvais and Scholl (1999) recognise five motives:

- **Intrinsic process motivation (Because it is fun)**

Intrinsic process motivation involves the desire for fun and enjoyment of activities. Individuals show intrinsic process motivation when the behaviour itself is the main reason to perform the behaviour. People driven by this type of motivation engage in activities they consider fun. They enjoy what they are doing and feel rewarded simply performing the task. Challenging tasks are considered to be more enjoyable than tasks which are too easy.

- **Extrinsic or instrumental motivation (Because of (long term) self-interest)**

Instrumental motivation involves desire for tangible extrinsic rewards such as pay, promotions, bonuses, etc. Individuals engage in behaviour because they believe that their behaviour leads to certain outcomes. Instrumental motivation is calculative and there is an exchange relationship between the individual and the organisation.

- **External self-concept-based motivation (Because I get recognition and gain status)**

External self-concept involves desire for individual or reference group's acceptance and affirmation of traits, competencies and values. In this case, the ideal self is confirmed by adopting the role expectations of the reference group. The individual behaves in ways which satisfy reference group members, first to gain acceptance, and after achieving that, to gain status. The meaning individual attributes to the information they are confronted with is often a function of the strength of their self-perceptions and their need for affirmation of the self.

- **Internal self-concept-based motivation (Because I feel good doing something I am good at)**

Internal self-concept involves the desire to meet personal standards of traits, competencies, and values. The individual's internal standards are the basis of self-identity. This means that in order to enhance the self, the individual does not require recognition by others, but relies on his or her own internalised standards which become the basis of the ideal self. The individual with an internal self-concept strives to reinforce his or her own traits uses a fixed rather than an ordinal standard of evaluation. These individuals don't care if they are applauded or booed by their peers, instead gratification results from task feedback and a sense of accomplishment related to achieving goals that affirm traits, competencies and values.

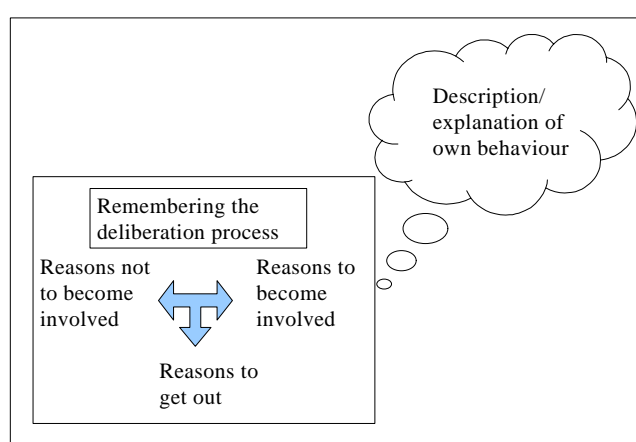
- **Goal internalisation motivation (Because it is the right thing to do)**

Goal internalisation involves desire to attain goals consistent with internalised values. An individual is motivated by goal internalisation when he or she adopts behaviour because it corresponds with their personal values. This type of motivation is based on the internalisation of norms and values. As a consequence it is often related to social types of behaviour. Conformity to internalised values does not lead to pleasure or need fulfilment but rather to a sense of affirmation.

It is important to point out that behaviour is likely to derive from more than one source of motivation, but one type of motive can also dominate. In the field of social psychology and organisational psychology, motivation and attitude are generally measured using a Likert scale where respondents are asked to attribute a value to attitude statements. For this research into the motivation behind participation into growth coalitions, however, an open-ended interview approach was used. Using this approach it has been possible to create a sense of trust which has permitted the interviewee to talk freely about becoming involved in Sheffield's economic regeneration. Another advantage of this open approach is that motives were not pre-selected, transformed into statements and subsequently weighed, but unexpected

motives and aspects of motivation were allowed to surface. Particularly, as the above mentioned theories of growth coalitions and the new institutionalist approaches are characterised by too many expectations with respect to the origin of behaviour it was important to adopt an open inductive approach. The advantage of using this approach is also that it can provide a rich picture of a person's attitude and personality which is necessary in order to be able to attribute the origin of behaviour to the five above mentioned motives. As open-ended interviews are very time-consuming a limited number of people have been interviewed.

Figure 2 Questions asked in order to measure motivation



Nine individuals from the local business elite who are involved in local economic development policymaking in Sheffield were interviewed. They were asked to remember the deliberation process at the moment of becoming involved (reasons to become involved and reasons not to become involved), and if and why they ever considered to get out. Furthermore they were asked to describe and explain their own behaviour (see figure 2)

5. SHEFFIELD

The growth coalition of Sheffield, a city of about 500.000 inhabitants, developed around 1986 and is still active today. The co-operative attitude that began to take shape in 1986 was in sharp contrast to the developments which had taken place in Sheffield since the beginning of the 1980s: ever increasing hostility between the local government and local companies. The end of the 1970s and the beginning of the 1980s marked a period of crisis and a necessary restructuring for the industries of Sheffield. At that time, the economy of Sheffield was still dominated by the traditional steel industries and cutlery manufacturing for which Sheffield is world famous, and from which the city's origin and growth at the end of the nineteenth century derives. In 1970, 120.000 people were employed in the steel, engineering and

associated industries, which was mainly located in the Lower Don Valley, the heartland of Sheffield industry. Due to the globalisation of the world economy and increasing competition from countries in the far east, Sheffield companies, in order to survive, were forced to rationalise and automate their production process. Bankruptcy and radical reorganisations led to a large expulsion of employees from the labour market. Whereas employment in the Valley reached over 40.000 in the mid-1970s, being one of Britain's most successful industrial locations, at the end of the 1980s employment in the Valley had fallen to 18.000 and unemployed rose to 18 percent in 1983/84 (Strange 1997). The fact that Sheffield also had a relatively weak and underrepresented service sector meant that the local economy was not able to generate enough alternative employment. "[E]mployment in the service sector was small in comparison with other northern cities, with expansion in business and financial industries increasing at a rate below that of the national average" (Strange 1997, p. 5).

Sheffield was one of the few cities in Britain developing a radical attitude to solve its problems. "The explanation of why this small group of councils elected to adopt interventionist economic policies remains subject to considerable debate" (Lawless 1990, p. 138). In order to decrease the large amount of unemployed the local government started to create jobs in the public sector. It also developed several services for companies in troubles, and provided training facilities for the unemployed. As a result of this active approach some employment was created or preserved, however, not comparable to the total number of unemployed.

Another, and more worrisome effect of this policy was the increase of local government expenses. In order to maintain its new role the local government had to secure an increasing amount of financial means. As the City Council already blamed the industrialists for the losses of jobs, they raised the local business tax for many years in a row, in some years even as much as 40 percent, in order to support their initiatives. Apart from causing severe problems for the industries that were already trying to battle the economic recession, this measure also discouraged potential investors to (re)locate to Sheffield. The hostile and tense relationship between the City Council and the local business community each blaming each other for the economic recession and unemployment, led to the negative image of the city in the country as a whole.

It is not so obvious that from this situation the co-operative policy developed that made Sheffield famous in the academic community. The growth coalition, or co-operative agreement which developed from 1986 onwards between local public and private parties to jointly developed a policy to turn around the local economy. The possibility for change in policy towards co-operation was facilitated by the slow substitution of the radicals with more pragmatic leaders. Other changes in key personnel also took place as soon as "the intellectual sophistication but practical irrelevance of radical municipal intervention had become very

apparent” (Lawless 1990, p. 143). Also at the national level Labour Party’s more radical approach was abandoned in an attempt to regain the middle ground of British politics, and on the other hand the Conservative national government began more and more to emphasise the reorientation of the urban program toward the private sector.

The interest in co-operation developed simultaneously at the Local Council and at the Chamber of Commerce. The initial discussions that took place were informal and the meetings of the representatives of the local authority and the local business community which was represented by the Chamber of Commerce, took place in secrecy because open contact with ‘the enemy’ would have led to outrage. The pioneers of a dialogue acted, especially at the beginning, more on their own account than as representatives of a common agreed approach. At the beginning the idea of co-operation was supported only by a few public and private key individuals but the key group, although now openly representing the local public and private sector, has until today remained small. As Lawless points out “Fewer than 10 key figures from the private sector initiated and sustained most partnership programs. A large proportion of these were male, middle-aged, chairmen of local companies” (Lawless 1990, p. 144). Ian Strange, the other main researcher of the Sheffield regeneration policy, also reaches the conclusion that “The force behind this movement consisted of a small number of individual Chamber of Commerce members and officials. (...) [They] were the vanguard of the private sector in terms of acknowledging the need for more conciliatory relations with the City Council” (Strange 1997, p. 7). Through a policy of, presidential succession and a careful co-ordination of inspiring key individuals, the Chamber of Commerce managed to spread the message of co-operation and to turn it into a long term policy of the Chamber. “Structured around the cycle of presidential succession, ‘manpower planning’ (sic) provided a mechanism for developing a continuity of policy that stressed the merits of working in cooperation with the local authority” (Strange 1997, p. 8).

Many additional parties also got involved in the local growth coalition, like for example the trade unions, community groups, the institutions for higher education (in particular Sheffield University and Hallam University), and the Sheffield Development Corporation who came together in the Sheffield Economic Regeneration Committee (SERC) formally created in 1987. Although many other parties are involved the Sheffield growth coalition is dominated by two: the local authority and local business.

Strange concludes in his study of local governance in Sheffield that “In Sheffield, local dependency as a motive for business participation is a questionable interpretation. The majority of private sector input originated from individuals not involved in traditional steel and engineering industries, and whose companies were not tied to the skills of Sheffield’s labour market or economic resources” (Strange 1997, p. 13). If not local dependency, what has inspired key individuals to behave the way they did?

6. THE MOTIVES OF NINE PARTICIPANT FROM THE BUSINESS COMMUNITY

Nine people were interviewed who were all actively involved in all sorts of economic regeneration initiatives in Sheffield. Although one generally speaks of a (one) growth coalition the growth coalition in Sheffield consists of many different kinds of partnerships (Strange, 1993). As a result, the behaviour of the interviewees, although it can generically be classified as 'participating in local economic development' can take on many forms depending on the initiatives in they have chosen to be involved. All the interviewees, were and are involved in a multitude of initiatives ranging from the more general (to turn the image of the city around) to more specific (increasing the viability of local companies). The interviewees who are kept anonymous and are presented in a random order.

In table 1 the interviewees are presented and serves to draw attention to the importance of these people as every one of them is involved in a multitude of initiatives. The fact that eight of the nine interviewees are involved on an individual basis supports a micro-level focus.

Table 1 The nine interviewees and their activities

1)	Mr. DL was 61 years old at the time of the interview. He worked for 21 years in the Sheffield steel industry as a chief executive. Six years ago he bought some companies and participated in two medical equipment companies. At about the same time he became chairman of the Sheffield Training and Enterprise Council, a Senior Industrial advisor to the University of Sheffield, chairman of Medilink (Yorkshire & Humber) Ltd., project director of the Regional Innovation Strategy for Yorkshire and Humberside and he was about to hold the office of Master Cutler of the company of Cutlers in Hallamshire at the time of the interview (in 1998).
2)	Mr. DS was 59 years old and retired at the time of the interview. He worked for 5 years in the steel industry and after that for 32 years with a wire company. At the time of the interview he worked as a consultant for small and medium sized companies and the university. He has been active in the local community for a very long time. He has been involved in the TEC, the City Liaison Group, and the South Yorkshire Forum.
3)	Mr. AJ was 73 years old at the time of the interview and had been retired for 9 years. He worked forty years for a large company in Sheffield of which the last fifteen years as managing director. After retirement in 1989 he became part of the team of consultants assisting the Sheffield Development Corporation. Successively he became involved in the Plus scheme of the University and in the Technopole.
4)	Mr. NA was 67 at the time of the interview and 'retired' two years before from his company as he resigned for the board and became Honorary Life President. In 1985 he had already become chairman which meant that he had more time to spare. He was one of the initiators of the business elite's initial step towards change, trust and co-operation between the public and the private sector in Sheffield. He was president of the Chamber of Commerce, participated in Sheffield Partnerships Limited, the Universiade, was a board member of the Sheffield Development Corporation, Hallamshire Investments and the Hallam Group. Besides these initiatives obviously linked to urban economic regeneration, NA has started to become involved in different initiatives since 1993 only indirectly linked to regeneration. He is chairman of Sheffield Hallam University board of governors, the Sheffield Industrial Museums Trust and the Sheffield Theatres Trust.

5)	Mr. CJ was 64 at the time of the interview and is the third generation owner and Managing Director of the family company producing tools. He started to become involved around 1994 when he became a Master Cutler and he was on the City Liaison Group (After the interview he became a council member of the Chamber of Commerce, a member of the Hallam Group, and a member of the Council of the University of Sheffield).
6)	Mr. RW was the most senior of the interviewees and was 78 years old at the time of the interview. He is the founder of the family company of which he is still Chairman but which is now run by his son. Like NA he is one of the initiators of change and has likewise been involved in almost all the initiatives developed in the framework of economic regeneration. Among other things he has been part of SERC, the Sheffield Development Corporation, Sheffield Partnerships Limited, Hallamshire Investments and Sheffield Leisure and Recreation Trust. Mr RW has also functioned as Master Cutler.
7)	Mr. DSt was 64 at the time of the interview and retired three and a half years before as managing director of a large steel company in the city. He became first involved in economic regeneration ten years before through the foundation of the TEC, after that he was on the Sheffield Liaison Group, and was part of Hallamshire Investments. He also functioned as Master Cutler.
8)	Mr. JF was 54 at the time of the interview. He is the founder and owner of a highly innovative company. He was on the council of the Chamber of Commerce for about eight years, he is a member of the Cutlers company, was involved in the Technopole, the Sheffield Employment Bond and the Department of Trade and Industry.
9)	Mr. KD is with 49 years the youngest of the interviewees. He is a partner in a large international accountancy firm. He has been involved in local economic development from the beginning of his career in Sheffield which coincided more or less with the first projects initiating change. He was on the council of the Chamber of Commerce for about eight years, and within the Chamber was part of the Image Working Party which later became Sheffield Partnerships Limited and after that Destination Sheffield. He was on Healthy Sheffield and the Hallam group. He was president of the Chamber of Commerce, and was as such on the Sheffield Liaison Group. He is part of the Business Community Partnership which is a business community partnership trying to get local companies to get more involved in regeneration type community type projects. Has been the founder and chairman of the South Yorkshire Professional Firm Group.

The interviewees can be subdivided into two groups:

- those who became involved during the mid 80s at the moment when the local government officials and local entrepreneurs and business people were highly suspicious of each other and the hostile atmosphere was detrimental to regeneration. These can be considered part of the group of initiators or the 'first generation' (NA, RW, and KD);
- those involved at the beginning of the 1990s when much had already changed and many plans and choices had already been made. These can be labelled as the followers or the 'second generation' (the others).

Two of these first generation participants became involved more or less on their own account, the other seven interviewees were predominantly approached by others. This suggests that the social networks within a city are of major importance for the development of a growth coalition. This corresponds with the importance which is generally ascribed to social capital. Important social networks through which they were recruited were the Cutler's Company, the Chamber of Commerce, the Confederation of British Industries and the Training and Enterprise Council (TEC).

The interviewees were asked about the reason why they decided to become involved. As mentioned before, the behaviour of individuals does not necessarily originate from only one type of motivation. It seems that the behaviour of four interviewees can be attributed to one dominant type of motivation. The behaviour of three interviewees seems to derive from two types of motivation, and the behaviour of two interviewees even seems to be rooted in three sources of motivation.

Table 2 Overview of motivation

	Intrinsic	Instrumental	Recognition	Self-development	Norms	Tot
DL		X			X	2
DS				X	X	2
AJ	X			X	X	3
NA	X			X		2
CJ		X	X		X	3
RW					X	1
DSt		X				1
JF					X	1
KD		X				1
Total	2	4	1	3	6	16

Goal internalisation motivation is mentioned by most of the interviewees. Six of the nine interviewees mention that their participation in the urban growth coalition derives from internalised norms and values. The behaviour of four of the nine interviewees can be attributed to extrinsic or instrumental motivation. Three interviewees mention reasons for participation referring to internal self-concept-based motivation, or the affirmation of self-identity. Two mention intrinsic motives or the sheer pleasure or joy which they derive from participation in the various initiatives which motivates them to become involved. Only one of the interviewees mentions that his behaviour is influenced by the external self-concept-based motivation or the recognition, esteem and status which he derives from playing a highly visible role in society.

Table 3 Motivation: key statements

	Intrinsic	Instrumental	Recognition	Self-development	Norms
DL		It is in my long-term interest to have an acceptable society.			The business community should create wealth and politicians should divide it
DS				It is an exciting challenge giving satisfaction	Business people should help politicians create employment
AJ	I enjoy it, something to look forward to, a form of relaxation, quite exciting.			I did not want to stop being active after retirement	I like to help
NA	I like problem solving			I am still interested in doing something, in problems to solve.	
CJ		Having a wider interest and meeting people is good for business	I get status		Business people have a responsibility towards the community
RW					It is the right thing to do
DS _t		My job involved being interested in local affairs.			
JF					Getting on with things
KD		The ambassadorial position gave the company a lot of profile.			
Tot	2	4	1	3	6

Intrinsic motivation

The two interviewees who's behaviour seems to derive from intrinsic motivation are attracted to local economic development activities because of the excitement and joy which they derived from contributing to corporate growth processes or the pleasure derived from solving problems:

AJ: "Some people like to use their time to study again or to relax completely on holidays, do gardening. I can enjoy those in a small doses, but I think that it's quite exciting at times to go to a small company and see some of their problems and see how a combination of students' ability in the academia and the services of the university can help that company, and I find that when it happens, that it is quite exciting."

NA: "I don't want to go and sit in my garden, play golf all day, or anything like that. Problems! particularly problems created by growth, or a changing environment, or so on, they are my trade, they are my things I am quite good at."

Internal self-concept based motivation

Besides intrinsic motivation both these two interviewees' also seem to be motivated by self-concept based motivation as both state that the desire to remain active and to continue using their abilities after retirement was an important reason to become involved in economic development. As their self-concept was under threat by retirement, participation in the growth coalition has served to reinforce traits, competencies and values and to achieve a higher level of competencies. The fact that for both interviewees these two types of motives are highly interwoven becomes clear when they are asked to describe themselves. It turns out that doing things 'for the pleasure of doing it' has become part of their self-concept, as they describe themselves in the following ways: "I tend to *like work*" (AJ); "all I have ever been really in my career is someone who *likes* solving *problems* and that's my trade" (NA).

Contrary to these two interviewees the third interviewee whose behaviour also seems to originate from internal self-concept based motivation does not mention the pleasure which he expects to get from involvement. Instead, DS refers to the satisfaction he derives from overcoming challenges.

DS: "And I was reaching the end of my business career and in terms of positions with my company I had reached the top of the ladder in that respect. And it provided a challenge to me, another opportunity to be involved. I mean instead of being involved in a business sense one was involved in a community sense and that was a very interesting challenge to take up. So I think there was a great deal of interest in doing it."

DS' description of his self-identity affirms the belief that his behaviour predominantly derives from internal self-concept based motivation, as he points out that he considers himself mainly an active person who is geared towards *doing* things and that he *likes* having *challenges*.

Extrinsic or instrumental motivation

Extrinsic or instrumental motivation which in the above mentioned theories of urban and regional development is assumed to be the major source of motivation for entrepreneurs and managers turns out to be quite important as four of the nine interviewees mention motives which can be considered to fit this category.

However, only in one of the four cases this motive corresponds with the economic self-interest assumed in growth machine theory or the selective incentives referred to in regime theory. KD, who is a partner in an accountancy firm, points out that the main motive behind becoming involved is based on the argument that when the city is buoyant, potential clients

are richer and this again is good for his firm. Another economic argument by KD is that being known in the local network is good for the profile of the company and for attracting future clients. This seems to indicate that his behaviour is comparable to the behaviour as assumed by the growth machine theory, where urban economic growth directly or indirectly has a positive effect on the economic success of the companies involved in economic development. The instrumental motivation of CJ, who is the third generation to run the family company producing tools, is of a more abstract nature. He argues in much more general terms that his company benefits when he personally takes a wider interest and improves his competencies as a business man. He considers the expertise and strategic insight which he gains by being involved in local economic development important for the firm. Unlike in the above mentioned situation where the wellbeing of the city is directly related to the wellbeing of the company, in this case where the market of production is not in Sheffield the company does not profit in such a direct way.

Again another type of instrumental motivation is described DL whose willingness to invest in a healthy economy and society does originate from an interest in securing and increasing the quality of his life by creating a more balanced and fair society to live in.

DL: “You know, you can’t have a society where there is lots of poor people, the quality of my life will suffer because we will be afraid to go in the city centre and the place would be falling down. I’d say it is important for me to have an acceptable life.”

This type of instrumental motivation is not comparable to the arguments used urban theories. In these theories participation is mainly attributed to selective incentives, or advantages that are only available to those people who participate in the growth coalition. Instead, in case of DL, the benefits he aims for by becoming involved in the growth coalition are not selective or rather they are available to everybody in the city.

DSt mentions that being involved in the growth coalition was really part of his job as he was involved on account of the company he worked for. Although it seems that this motivation refers to an instrumental interest on the part of the company, this is highly unlikely as the company he worked for was British Steel a company which rather than having an economic interest in the city can be considered to have a public responsibility towards the community and the city within which it is embedded. Growth coalition involvement in this case can therefore be compared to corporate community involvement.

Goal internalisation

Goal internalisation turned out to be an important motivation for six of the nine interviewees. Although religious and political principles like ‘solidarity’, ‘helping’, ‘responsibility’ and ‘justice’ were expected to be the main origin of motivation based on goal internalisation, quite surprisingly it turned out that motivation was rooted only to some extent in norms of

solidarity. Furthermore, the origin of norms of social solidarity in some interviewees turned out not to originate from political and religious principles.

Behaviour deriving from internalised norms of social solidarity and the willingness to help is recognisable in DS and AJ. The origin of DS' willingness to help –although he does not directly refer to it– can be religious principles as he points out to have strong beliefs, moral ethics and attitude. AJ's norms seem to adhere more to political principles. For both interviewees the memory of the hardship experience during their upbringing seems, however, to be at least as important as the underlying principle.

DS: "I have a strong emotion about people, I care immensely about people, I think of the terrible waste that some people make of their lives by not having a job or not having a worthwhile job and the under achievement of people, the under achievement of children the waste that they can make of their lives by not fulfilling their potentials, so I get emotional about that sort of thing".

AJ: "If you are part of this city from being a child and you have seen a lot of deprivation and you have seen the problems ... with the working class people in Sheffield, then I think in the back of your mind you believe that if there is something that you can help with to improve the situation then that in itself is a reason for doing it."

Interestingly, political principles turned out to provide an ideal of how society should be run resulting in norms and values of efficiency and rationality. DL, referring to the limited capabilities and lack of business experience of politicians links his argument in favour of rationality to the division of labour between business and politicians.

Two other interviewees do not seem to link their passion for efficiency and doing to any larger underlying principle. Instead JF and RW simply argue that things have to be done, and if you can do something you just do it.

CJ's norms and values which inspire him to help the community seem to originate from the principles of traditional entrepreneurial culture. He was raised with the norms and values traditionally linked to a family company culture. These norms and values regard the responsibility entrepreneurs have towards the community within which their company is rooted and the necessity to give something back to the community.

CJ: "Basically, we in business have a responsibility to put something back into the community from which we derive, in my case not my income, but we operate within the community of Sheffield. And that one has the responsibility to put something back in. I think actually, following the concept of enlightened self interest, your business, you have got to involve yourself in the community. [...] You have to recognise that you are part of that community. [...] One develops a sense of responsibility not just to your family, to your business, but to the community at large".

External self-concept based motivation

Although the literature regarding membership of voluntary groups refers to the importance of membership as it provides status, power, recognition, this motive turned out to be of little importance to the interviewees. Individuals whose behaviour derives from external self-concept based motivation are sensitive to other people affirming their traits, competencies, and values. It can be concluded that only for one of the nine interviewees external affirmation and membership of the social group was considered of importance for becoming involved.

7. CONCLUSION

In this paper a micro level approach focusing on individual motivation was used to explore the phenomenon of urban growth coalitions. By so doing a number of implicit and explicit assumptions about the behaviour of private actors have been challenged, namely the relevance of financial gain and of local social culture. At the same time the importance of individual needs, goals and values, as suggested by Granovetter and others, appears to be confirmed.

Furthermore a tentative conceptual framework to analyse individual motivation was provided. Based on this framework the nature of the commitment of actors can be defined more precisely.

The use of this framework has an analytical and normative practical consequence. It has been able to give structure to a vast amount of otherwise anecdotal information and it suggests ways to identify the human resources needed for the success of growth coalitions. Of course further research is needed.

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ABSTRACT

Cities are more and more similar to companies as they compete with other cities in a global marketplace in order to guarantee employment to and safeguard the wellbeing of their citizens. Faced with this challenge cities are increasingly seeking collaboration with other local actors. We talk about urban growth coalitions when members of the local business elite are involved in formulating and carrying out a strategic economic development plan which aims at revitalising the city. As private sector involvement in urban growth coalitions is completely voluntary the question what motivates these people will help us to gain insight into the feasibility and desirability of involving the business sector in urban development. Although many researchers have recognised that there are likely to be other reasons than financial self-interest or selective incentives behind the decision to become involved, the participation of business people in local economic development has never been studied at the micro level. A typology of motivation at the micro level which has been developed within the field of Human Resources Management will be used to analyse the motivation of nine entrepreneurs and top level managers involved in Sheffield's (UK) urban growth coalition. Concluding we can say that financial self-interest or selective incentives explain only partially the involvement of the business elite and that other motives based on individual needs turn out to be more important. This conclusion undermines existing theories and their critical evaluation of urban growth coalitions.