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Title
Toward a Typology of Regional Leadership Institutions: Examples from the San Francisco Bay Area

Permalink
https://escholarship.org/uc/item/7384x4s3

Author
Wegener, Torsten

Publication Date
2001-08-01

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Torsten Wegener

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Torsten Wegener

Introduction

The call to regionalize economic, social or environmental policy is heard in many regions throughout the world. Behind these calls is the recognition that existing local institutions are often unable to manage regional problems efficiently. Thus, a regionalization of economic, social, or environmental policy introduces new institutions on the regional level (Keating 1997). Regional institutions differ, acting as advocacy groups, regional governance institutions, and regional leadership institutions, etc. Roughly defined:

- *advocacy groups* are voluntary associations that lobby for the region's interests (perhaps in competition with other regions) to bring resources into the region;

- *regional governance institutions* are established, often by law, to take over political power from another level of authority;

- *regional leadership institutions* are voluntary collaborations of regional actors who address regional problems using their own resources.

It is my impression that most regions which heed the call of regionalization create regional leadership institutions. These organizations in their varied forms are the focus of this discussion.

Political Economy of Institutions and Decisions attempts to explain, among other things, how institutions affect the performances of political and economic systems (North 1990). Keeping in mind that the fundamental economic problem of regional policy is "which concept of regional policy provides the economically most efficient allocation of productive forces in a certain area" (Giersch 1963), we can see the relevance of regional institutions for regional economic policy. It is helpful to categorize the variety of regional institutions that address similar regional problems in order to evaluate their relative efficiency in reducing regional transaction costs.[1]

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[1] "Different institutional settings will be likely to give rise to distinctive conventions or forms of collective social order leading to the establishment or enhancement of different kinds of organizations and even, to some extent, rules of the game or microconstitutional regulation. Put together, this 'social capital'

Concept and Issue

After providing a systematic overview of regional leadership institutions that were built on a voluntary basis without the support of state funds, two main points of focus are presented. First is the question of how a region's actors organize the process of regional decision-making and address regional problems. Of special importance is whether such decision-making focuses only on identifying problems and solutions or whether it includes the implementation of solutions as well. The second point of focus is to understand the activities and goals of regional leadership institutions and to find out if the groups they target are benefitting from the activities.

It is more relevant to this paper, therefore, to know what sort of agreements actors seek to make within a region than to know how and why regional players do or do not reach certain agreements.[2] To give an idea of the types of voluntary regional leadership institutions, several examples are presented. The examples are all selected from the San Francisco Bay Area and present a broad range of experience in creating regional agendas, plans, and actions. The selection of these examples, however, is not meant to be representative of, and does not cover, all cases. Also, the examples have been chosen without respect to their relevance or impact on the development of the respective region.

Methods and Methodology

The case studies were conducted within a three-month period between October and December 2000. The study focused on what sort of regional agreements were established. Much was learned through formal means—brochures, documentation papers, web sites— key actors' descriptions of the regional institutions, and observations during interviews. Selected events and activities of these regional institutions were also followed. The purpose of studying formal documentation, interviewing key people, and following events and activities was to determine what sort of regional institution actors chose to accomplish certain goals or to implement special projects. Thus, the interviews were not opinion surveys. The main structural differences are explained among the several types of regional institutions presented in the case studies and these findings are presented in a typology. This procedure is, in terms of methodology, inductive as the typology of regional institutions is empirically grounded and not drawn from a theoretical concept of regionalism.

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determines the posture and direction of practical action and, hence, the evolutionary processes of the region" (Cooke et al. 1997: 480).

[2] The latter aspect is the major focus of Innes & Gruber (2001).

As a European, I was challenged to understand that voluntary regional collaborations can work under institutional framework conditions completely different from those that exist in Europe. For this reason, I focused on those efforts toward regionalism in the Bay Area that were built and managed without significant subsidies from state or federal sources. Such self-propelled regional institution building seldom happens in Western Europe, where regional initiatives are often initiated and funded by the EU, its member states, or other government institutions as part of their economic policies.

Institutional Background of the San Francisco Bay Area

The Bay Area deals with a variety of problems faced by nearly all metropolitan regions in the US.[3] Some of the peculiar institutional conditions that frame the Bay Area experience, however, must be noted when examining the voluntary regional institutions that deal with economic, social, and environmental policy.

The Bay Area is a diverse metropolitan area of nine counties, 100 cities and a significant number of special districts. There is no regional governance framework except various projects of intergovernmental cooperation. The Bay Area, like the rest of California, is not unusually fragmented into local governments and special districts (Lewis 1998). Nonetheless, fragmentation has proven to be a structural obstacle to creating regional institutions. "One of the greatest challenges of urban and regional policy today is to develop constructive and coordinated action across the fragmented and often warring jurisdictions" (Innes & Gruber 2001: 2).

The fiscal basis of local governments in California has been altered dramatically. First, local governments' most important source of revenue, property taxes, was reduced dramatically. Second, the separation of sources doctrine was substantially gutted when authority was granted to determine how property taxes are allocated among different governments (Silva & Barbour 1999: 6). Thus, it might be said that fiscal conditions in California do not favor a climate of intensive intergovernmental cooperation on a regional level.

The Association of Bay Area Governments (ABAG), originally formed in 1961 as a voluntary confederation of the region's local governments, was redesigned in 1966 by the California legislature as the Bay Area Council of Government, but the legislature refused to grant it the powers of a regional government. Since then, ABAG has served as the only (although limited) multipurpose regional agency in the area.[4] ABAG's duties lay in collecting information on regional

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[3] Orfield provides an excellent overview (1997); the most important problems are concentrated poverty, school situation, and affordable housing.

[4] For an overview of the history of ABAG, see Innes & Gruber (2001: 16 ff).

issues (e.g., affordable housing) and providing overviews and scenarios to the local governments, thereby improving the information available to them for their planning processes.[5]

The most powerful regional agency is the Metropolitan Transportation Commission (MTC), which was created by the California legislature in 1970. Its major duties include management of the Bay Area Rapid Transit (BART) system and planning and funding of highways and transbay bridges. Creation of MTC, furnished with the necessary legal power and fiscal resources, was an answer to ABAG's institutional weakness in solving pressing regional transportation problems.

Additionally, there are a number of regional "special purpose agencies" (Keating 1997) that deal with regional air and water quality issues. Because these special purpose agencies did not address problems identified by other actors, however, a number of "regional development coalitions" (Keating 1997) or regional leadership institutions have been established. Some are examined below.

Examples

Six examples of regional institutions that broadly address regional economic, social or environmental problems are examined. Each regional institution is characterized by its aims and structure, as well as by the projects that it promotes. The descriptions given below, however, do not cover all activities of these institutions.

Two regional institutions deal with problems faced by the entire Bay Area, including all nine counties (including the county and city of San Francisco) that border the San Francisco Bay. They are the Bay Area Alliance for Sustainable Development and the Bay Area Council. Two institutions are located in and focus on problems of the East Bay region of Contra Costa and Alameda Counties: EastBayTech.net and the Economic Development Alliance for Business. The other two examples come from the South Bay, better known as Silicon Valley: Silicon Valley Manufacturing Group and Joint Venture Silicon Valley Network.

Bay Area Alliance for Sustainable Development

The Bay Area Alliance for Sustainable Development (BAASD) is a multi-stakeholder coalition of several influential Bay Area organizations and private corporations with a desire to contribute to more sustainable development in the Bay Area. The Pacific Gas & Electric Company, the Sierra Club, the Association of Bay Area

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5   ABAG is, thus, in no sense comparable with Orfield's "Metropolitan Council" (Orfield 1997: 133).

Governments, the Urban Habitat Program, and the Bay Area Council, each represented by some of their leading officials, form the steering group of the BAASD. They, together with support from the James Irvine Foundation, cover the operating costs of BAASD and the publication of the Compact (see below). Founded in 1997, this group of regional leaders adopted the Bruntland definition of sustainable development: "Meeting the needs of the present without compromising the ability of future generations to meet their own needs." They have invited other regional leaders, representing environmental and social interest groups as well as the business community and local governments around the Bay Area, to quarterly meetings. The BAASD broke down the aim of sustainability into three elements, the Three Es:

> prosperous **e**conomy
>
> quality **e**nvironment
>
> social **e**quity

They supplemented the Three Es with ten commitments, the most important policy fields for ensuring a more balanced development throughout the region. These are (see Figure 1):

Figure 1: The 10 Commitments of the Bay Area Alliance for Sustainable Development

- Enable a Diversified, Sustainable and Competitive Economy
- Accommodate Sufficient Housing
- Target Transportation Investment
- Preserve and Restore the Region's Natural Assets
- Use Resources Efficiently, Eliminate Pollution and Reduce Waste
- Focus Investment to Preserve and Revitalize Neighborhoods
- Provide Quality Education and Lifelong Learning
- Promote Healthy and Safe Communities
- Implement Local Government Fiscal Reforms and Revenue Sharing
- Stimulate Civic Engagement

Source: BAASD, Draft Compact for a Sustainable Development, 2000.

In the course of its meetings, BAASD set up a number of caucuses and working groups to work out a document called "The Compact," which contains more detailed problem descriptions and best-practice approaches for each policy field. The document includes recommendations on which social and environmental projects or

initiatives to support. The working groups also agreed on a list of indicators to measure and evaluate progress in achieving the aims of sustainability.

The constituent organizations of the BAASD are currently in the process of approving the complete Compact. Once the Compact is fully approved, it will be up to these organizations to bring the Compact's philosophy to life, by putting its recommendations into practice in everyday decision-making. The BAASD, however, can exercise only social persuasion over its members when evaluating the achievement of its goals. Once in place, the Compact might then lead to agreements on specific actions its members might undertake. This would then be a process of bargaining between the members. So far, no ongoing process of bargaining takes place between members of the BAASD, only a process of mutual persuasion and social control. To become a bargaining process, a more project-focused approach toward the long-term goal of sustainability, identifying the rights and responsibilities of members, would have to replace the current policy-driven approach.

Bay Area Council

The Bay Area Council is a business-sponsored, CEO-led public policy organization founded in 1945 to promote regional economic prosperity and quality of life. Today, the Council is comprised of more than 250 members—business leaders from the largest companies and most important business associations in the region. The issues considered by its programs have varied over the years. Currently, they relate to transportation, environmental quality, economic development, housing and land use, sustainable development, water policy, education and workforce preparation, and telecommunication infrastructure. The Council thus sponsors or co-sponsors various project-oriented or policy- and/or law-making initiatives, including the BAASD (see above).

The Bay Area Council runs an office in downtown San Francisco that prepares and implements all issue-related activities. The members of the Council have vested the organization with discretionary authority to adopt and carry out activities on any issue which the organization regards as important. Because the organization must often acquire additional funding from its members to sponsor new projects, there is constant discussion over the meaning, relevance, and urgency of these topics among the CEO community. Furthermore, the CEO of the Bay Area Council must once a year get approval from the members, represented by the Council board, for the organization's activities. The Council, however, seeks to get other institutions (foundations) or initiatives involved in its activities and sometimes serves as project facilitator or implementor.

As a regional institution, the Bay Area Council works much like a project-driven regional lobby for its membership. One illustrative example is the Council's Bay Area Water Transportation Initiative, which successfully drew the attention of the California state legislature in 1997. It established the Bay Area Water Transit Task Force to conduct a feasibility study and establish an action plan for increased high-speed ferry service on the Bay as one solution to the region's commuter and traffic congestion problems. The Water Transit Task Force was managed by the Council and its 50 percent subsidiary, the Bay Area Economic Forum (the other 50 percent stakeholder is the Association of Bay Area Governments). In 2000, the work of the task force led to the creation of the San Francisco Bay Area Water Transit Authority as an initially state-sponsored, regionwide agency which will assume responsibility for studying, planning and—with legislative approval of its plan—operating new ferry services around the region.

On the other hand, the Bay Area Council works much like a regional joint venture institution when it organizes regional actors, sets up a regional sponsoring system, and creates an implementation facility for regionwide projects. The Community Capital Investment Initiative (CCII) illustrates this. The objective of this project is to bring private investors to impoverished areas. The Bay Area Partnership[6] identified 46 "priority neighborhoods" in the Bay Area. These areas lack affordable housing in proximity to jobs, struggle with congested transportation, suffer from poor educational performance, and show environmental problems. The Bay Area Council, co-sponsored by the James Irvine Foundation, has undertaken a feasibility study to explore ways to increase capital investment in these areas. A major finding of the study is that these areas can be significant markets that provide a return of investment or even a return on investment. The other relevant finding was that, while there are strong community organizations bringing forward potentially viable investments, reduction of poverty requires investments of greater scope. A "smart growth" orientation, encouraging reinvestment and development in the urban core, would gain significant support from these community organizations. A new kind of business–community–public collaboration, therefore, would be needed to encourage large investments in the priority communities.

The Bay Area Council installed the Community Capital Investment Fund to encourage and leverage private investments in these 46 neighborhoods. Investment projects must meet the bottom line

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[6]   The Bay Area Partnership: Building Healthy and Self-Sufficient Communities for Economic Prosperity is managed by the Northern California Council for the Community, Inc., an organization launched by the United Way of the Bay Area to foster higher returns on investments in human services. The Bay Area Partnership received the "Hammer Award" from Vice President Gore for breaking through government bureaucracy and establishing an innovative regional public–private partnership.

of financial, social and environmental criteria to qualify as keystone development projects. These criteria are set with the involvement of the business community (Bay Area Council, private investors), neighborhood communities, governmental advisors as well as the sponsors of the funds. These actors are organized in the CCII Roundtable Executive Committee.

The Bay Area Council is involved in the implementation process in the following manner. The Community Capital Investment Fund, also called the Bay Area Family of Funds, contains three parts: the Smart Growth Fund, raised and sponsored by the Bay Area Council; the Community Equity Fund, sponsored by the Alliance for Community Development of the San Francisco Bay Area; and the California Environmental Redevelopment Fund (CERF), sponsored by the CERF Task Force. The Family of Funds will be coordinated by the the Bay Area Council with an Executive Coordinating Committee, Managing Director, and staff, housed at the Bay Area Council. The Executive Coordinating Committee will be composed of the representatives of each fund, major investors in the funds, and the co-chairs of the Community and Business Councils. Management of the Family of Funds will present key development projects and business investment projects that pass the CCII due diligence criteria to the three funds. Each fund, however, will have its own organizational structure and fund managers who will make final investment decisions. (See Figure 2.)

Below is an example of a key development project and how it could be financed by the three funds. A potential development site is identified in a neighborhood. In association with the Community Council, the local government identifies a community partner to undertake joint efforts with the non-profit community. This team then works to bring in a mainstream developer (funded by the Smart Growth Fund), assemble the land, formulate development plans (funded by SGF or CERF), set up business plans (funded by the Community Equity Fund), and acquire private financing which might be leveraged by the Family of Funds as well. In the Bay Area, the Fruitvale Transit Village in Oakland, one of the 46 priority neighborhoods, fits in this scheme.

Figure 2: Community Capital Investment Initiative and Bay Area Family of Funds
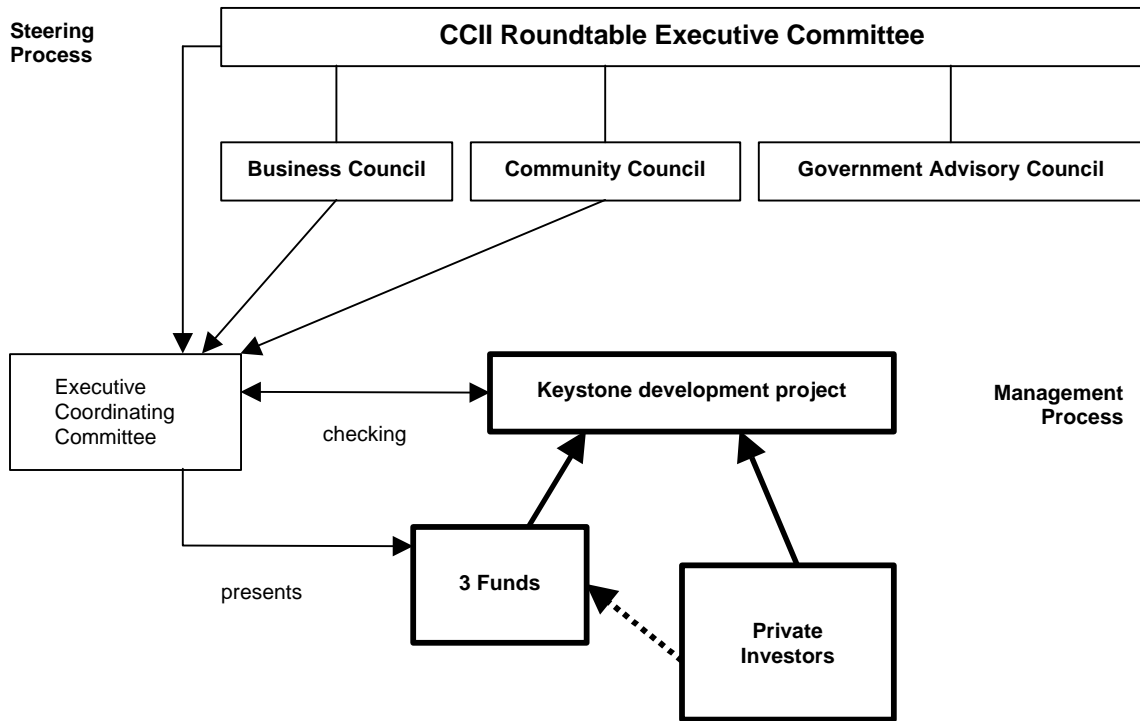
To summarize, the Bay Area Council's efforts as a regional institution, apart from taking the initiative to approach the needs of the 46 priority neighborhoods, include:

- hosting and sponsoring the Executive Coordinating Committee,

- raising funds among private investors,

- helping mobilize private investors, and

- forming the Business Council for the steering process.

The Council thus brings in its own resources and uses its ties to other regional resources.

The Community Capital Investment Initiative was brought in to the BAASD network by the Bay Area Council and is regarded as a best-practice model for fulfilling the BAASD definition of sustainability. As the investment projects of the CCII have not yet properly begun, however, it requires further observation. The most important challenge to balancing the "Three Es" arises not so much out of focusing private investment on these neighborhoods, but out of the fact that private investments often push socially disadvantaged groups

—the primary target group of the CCII—out of locations where they take place.

EastBayTech.net

EastBayTech.net is a one-year initiative of five cities in northern Alameda County, local companies, and the Oakland Metropolitan Chamber of Commerce (OMCC) to upgrade the high-tech capacity of the regional economy. The region is on the northern border of the ever expanding Silicon Valley and includes the cities of Alameda, Berkeley, Emeryville, Oakland and San Leandro. The concept for establishing this initiative originated from the directors of the economic development departments of the respective cities.

The initiative is managed by a Board of Executives composed of business leaders in local high-tech companies. A Board of Directors includes, among others, the executives of the economic development departments in the participating cities, as well as companies with a stake in the success of this initiative. The administrative work will be done by the Oakland Metropolitan Chamber of Commerce. While 10 percent of the costs of the initiative and its projects is covered by the OMCC, the initiative raises most of its funds from local companies and the cities involved.

The aim of the initiative—to transform the area into a center of innovation—is to be attained through two approaches. First, the region must improve its resources in terms of labor force qualifications and management skills. Second, the region must become more attractive to high-tech investors in order to become a competetive location for settlement. Thus, the management of the initiative has agreed on four measures to serve these approaches (see Figure 3).

Figure 3: The Projects of EastBayTech.net

Team B2B Mentoring
A mentoring partnership will allow early-stage East Bay start-ups an opportunity to partner with successful East Bay companies. Founders of the mentoring project include computer industry stand-outs such as NightFire, Versata, and Xpede. EastBayTech.net technology mentors commit to providing counsel, advice and referrals to early-stage start-ups that will accelerate business growth and success.

Infrastructure (for a growing number of high-tech companies)
Growing companies in the region will be channeled into new spaces with the power, telecommunications capacity, and supporting industries to ensure that these companies keep growing. Therefore, they have established a coalition between the growing technology community, local governments, infrastructure and development communities. For example, local business leaders will join forces to try to convince decision-makers of the "Big 5" accounting firms to open an office in the area, and local governments will allocate an attractive office facility with rent incentives.

Marketing
The project develops a strategy and a vision for a multi-media marketing campaign to establish an identity for the EastBayTech.net region as a center of innovation for the digital economy. Local high-tech companies in EastBayTech.net have helped to create a web site for the region backward and forward links.

Workforce
The project establishes and manages labor market events like East Bay Career Expo 2001 or Career Connections Events to improve matching high-tech qualified residents with high-tech positions in the region.

EastBayTech.net sets up teams to design the projects and raise the necessary funds in the regional business community. They also carry out and/or coordinate strength–weakness analyses and draw up action plans. EastBayTech.net is a public–private partnership sponsoring not only the administration of the initiative but also its projects. The B2B Mentoring project will be fully sponsored by the private sector.

The actors of the EastBayTech.net region—private as well as governmental—agree to take certain measures for the projects they design. Participants in the regional network commit themselves to bringing in their own resources to steer the initiative and implement its projects. Whether participants regard these commitments as bargainable goods and the subject of negotiations within the network will be the subject of further study during the implementation phase.

Economic Development Alliance for Business

The Economic Development Alliance for Business (EDAB) has its roots in the Economic Development Advisory Board established in Alameda County in 1990 to serve as a resource center for local governments. In 1995, Contra Costa County joined, extending the geographical focus, and EDAB got its final name. Today, it is a public–private partnership with 190 member organizations, of which 92 are private, 46 are non-profit, and 28 are public institutions. A Board of Directors, representing most of its members, approves the projects designed and conducted by EDAB.

EDAB focuses on issues that transcend municipal borders and on projects that provide economies of scale, such as regional marketing and information clearinghouses or resource centers. For example, EDAB serves potential investors that are attracted to the East Bay, but have not yet decided in favor of a particular city. Also, EDAB works to improve the regional identity of the East Bay, a region of the San Francisco Bay Area that is much less known than Silicon Valley and San Francisco. Thus, EDAB is a joint venture type of institution in the stricter sense, established by its members.

Additionally, EDAB helps the region establish other regional joint venture institutions for various issues. For instance, the East Bay Small Business Development Center is 50 percent sponsored by the US Small Business Administration. The Small Business Development Center, and the Small Business Administration sponsorship, however, depends on 50 percent co-sponsoring by the region. EDAB helped to channel the necessary regional funds to the project. The East Bay Small Business Development Center provides assistance to small businesses by financing marketing, production, or engineering feasibility studies.

In a similar way, EDAB has helped to establish more institutions that provide services to the region. For example, EDAB joined with Joint Venture Silicon Valley Network to establish a Regional Technology Alliance (RTA) with state funding. Through its network of affiliated organizations, participating service providers, and extensive information resources, Bay Area RTA provides East Bay companies with a viable road map to help them navigate through the hundreds of public and private programs and resources that are available to help emerging businesses. Another example is the Corporation for Manufacturing Excellence (MANEX), serving Northern California manufacturers with fewer than 500 employees. MANEX is a non-profit, fee-for-services consulting and resource center providing personalized solutions by a team of experts in areas such as business development, manufacturing technology, training, and workforce development.

EDAB thus focuses not only on establishing other regional institutions that do business in the same geographical region as EDAB itself, but also in a larger area. EDAB's efforts transcend its own regional boundaries by channeling local commitments onto a higher regional stage. It eases the process of finding the necessary co-sponsorship to supplement various federal and state programs.

Silicon Valley Manufacturing Group

The Silicon Valley Manufacturing Group (SVMG) was founded more than 25 years ago as the manufacturing industry association of an economically growing region. Its task was to provide relevant information to the business community and to represent the region's manufacturing industry in various stages of policy making. SVMG thus took the shape of a regional lobby, serving the interests of its members. This continues to guide its major efforts, mostly on a project-driven basis—for example, by providing support and marketing resources for traffic-easing measures for the region's commuters. Nevertheless, SVMG has also taken the initiative in addressing some of the region's social concerns, including education and affordable housing.

SVMG, together with the Greenbelt Alliance (an independent environmental non-profit organization) provided workshops for local officials on best practices in mixed land use. These were efforts to encourage local actors to work in accordance with these best practices.

SVMG supports two projects that help upgrade the region's educational system by promoting an exchange between the teachers and the region's industries. The Teacher Summer Fellowship Program[7] gives K–12 teachers the opportunity to work in Silicon Valley companies during the summer. They receive financial compensation and are coached by staff of the respective company. The aim is to upgrade the teachers' knowledge of technology in order to benefit students. Another project supported by SVMG is the Principal for a Day project. CEOs of regional companies work as a principal in local schools and experience the day-to-day business and problems of education. SVMG markets both initiatives to convince both teachers and companies to participate.

In addition, SVMG, similar to the CCII project of the Bay Area Council (see above), raises funds for the Housing Trust Fund. The Housing Trust Fund, an independent non-profit institution, will have

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[7] An initiative of Industry Initiatives for Science and Math Education (IISME) was founded in 1985 by a consortium of San Francisco Bay Area industries in partnership with the Lawrence Hall of Science at the University of California, Berkeley. IISME seeks to transform teaching and learning through industry–education partnerships.

$20 million and is constructed as a revolving fund to leverage some $200 million to assist 5,000 families of varying social status, including first-time home buyers, affordable home renters, and those who live in homeless shelters. The fund, which serves only the Santa Clara County and not all of Silicon Valley, is managed by the Community Foundation Silicon Valley. SVMG, which created the fund in cooperation with the County Collaborative on Housing and Homelessness, secures significant private sector contributions as the major sponsor of the project. Unlike the Bay Area Council, however, SVMG is less involved in the management of the fund (SVMG holds seats on the Board).

Joint Venture Silicon Valley Network

Joint Venture Silicon Valley (JVSV) resembles the Economic Development Alliance for Business in many ways. In fact, EDAB's approach was the underlying model for the JVSV when it was founded in 1992. The membership structure and facilitator role is also very similar. JVSV helped to create The Enterprise Network as a regional autonomous public–private partnership institution to serve the private sector, especially start-up and early-stage enterprises similar to the East Bay Small Business Development Center. JVSV, perhaps even more so than EDAB, regularly publishes studies to track the development of the region along a variety of socio-economic indicators and to conduct benchmark analysis. But among the various initiatives of JVSV, however, the focus here is on one of JVSV's earliest success stories, the Permission Regulation Streamlining project.

This project aimed to reduce permit cycle times and make this process more transparent and uniform. The idea was to avoid confusing investors with multiple and complicated permitting regulations within the region. Thus, this project was designed to improve the regional business climate and to lower transaction costs.

JVSV put together a Regulatory Streamlining Working Group with legal experts from local governments, private companies, lawyers, and even a Stanford University law professor and former US Congressman. The working group included nearly 50 active people, with about 40% coming from the private sector and 60% coming from the public sector. The group worked closely together with each of the various local and regional authorities, such as the City of Sunnyvale, the Fremont Fire Department, the Santa Clara Valley Water District, and the Town of Los Gatos (see Figure 4). The regulations under review concerned issues from the issuing of permits for hazardous materials to construction licensing, etc. One result of this effort was that code administrators in 27 cities and two counties agreed to unify their building, plumbing, mechanical, and electrical codes. More than 400 local amendments to these codes will be reduced to just eleven. In

the City of Sunnyvale, 95% of all permits now get same-day service, and none takes longer than two weeks.

Figure 4: The Regulatory Streamlining Initiative of Joint Venture Silicon Valley Network
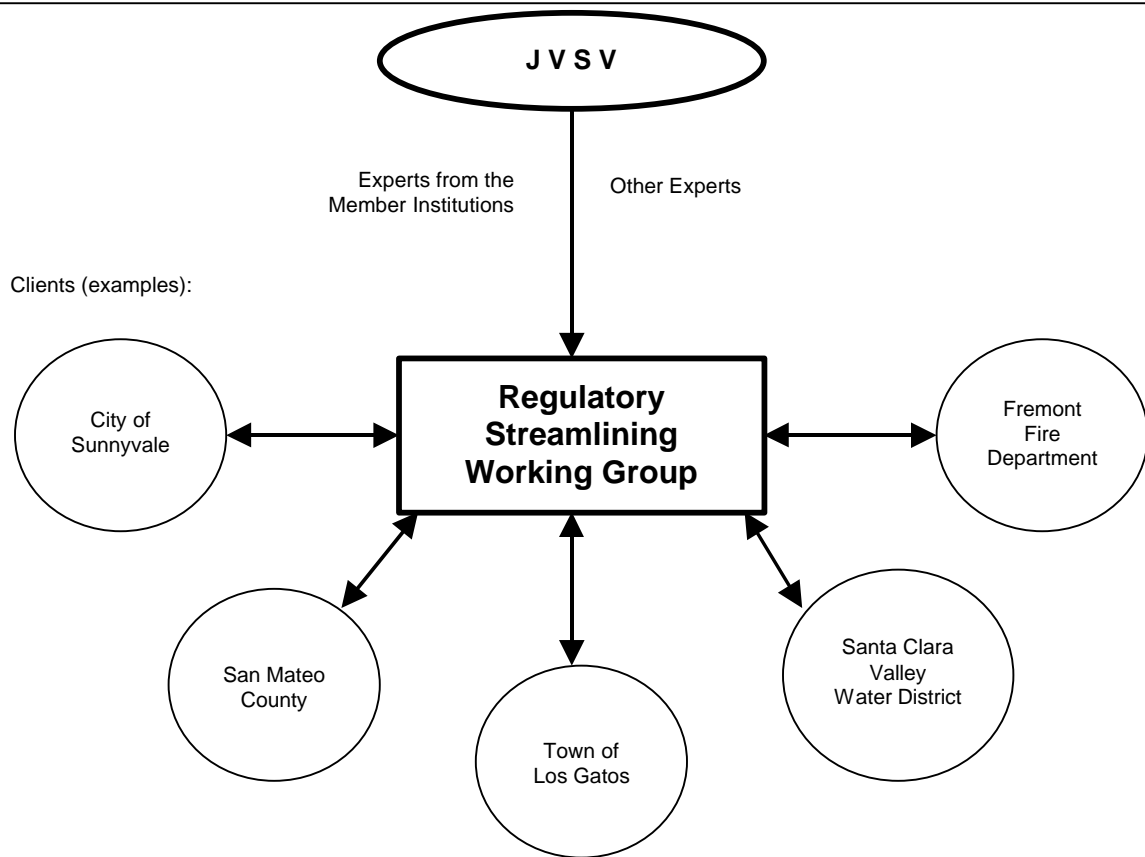
JVSV, as a core institution, helped to establish a similar standard, streamlining the regulatory framework conducted by each local government. Thus, actors not only agreed on joint action, but one core institution in the region supervised it. As JVSV collected data from all local governments involved, it developed standards that could be adjusted to various demands. Because efforts throughout the region were coordinated by a single unit, it achieved a higher degree of compliance among the participants in streamlining regulations, compared to the relatively weaker facilitator role of SVMG (see above). This led to a regionwide simplification of the regulatory framework.

Obviously, all the examples of regional institutions are driven by the issues confronting regional actors, no matter whether the actors reacted to certain problems (confusing permitting regulations) or proactively took on the issues (preparing the northern Alameda County area for the growth of Silicon Valley).

Toward a Typology of Voluntary Regional Governance Institutions

To regionalize political power means that local actors or organizations must solve the question of how to organize themselves as a region in order to deal with the problems that confront them as a region. The type of regional collaboration, therefore, will follow and conform to steps in the process of policy formation. These steps include problem recognition, analysis of causation and impact, discussion of solutions, choosing the appropriate approach, implementation, and monitoring and evaluation (Messner 1995: 163). Of course, in reality these steps are not carried out in strict succession. Rather, they happen simultaneously and overlap each other. These steps, however, should be distinguished from each other for reasons that are not just analytical.

Networks of actors that wish to address a certain regional agenda must decide how far they are willing to go in doing so (Wegener 2000: 75 ff). This means they must decide whether they wish only to analyze a problem and list some ways of solving it, leaving the questions of the appropriate solution and implementation unaddressed,[8] or whether they wish to commit resources to take actions on their own. Because actors forming a regional network to address a particular problem can decide where to act among the steps of policy making process, I would like to distinguish between two types of regional networks and regional organizations.

First is the "watch dog" type of institution. Here, actors choose to take the steps of problem recognition, analysis of causation and impact, and perhaps discussion of solutions and choosing the appropriate approach. They certainly do not wish to engage in implementation and monitoring. Since evaluation is post-problem analysis, regional watch dog institutions might also choose to evaluate. A regional watch dog identifies and publishes regional problems, tries to mobilize problem awareness among leaders concerned with these problems, and calls for action from them.

Second is the joint venture type of institution. Regional joint ventures undertake the above steps as well, but also undertake implementation and monitoring. Regional joint ventures combine problem analysis with a commitment to implement solutions which can be conducted by members of the networks or organization.

However, both types of regional institutions can be further differentiated. With respect to watch dog institutions, there are those whose target groups are "conjuncted to" or "disjuncted from" the

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8   The differentiation of these steps leans on Warren's typology of interorganizational fields, see Warren (1967: 418).

groups which receive the benefits of their actions (Coleman 1990: 327). A conjuncted institution's target group and beneficiaries are more or less identical. A disjuncted institution's target group and beneficiaries are separate. Thus, regional watch dog institutions with a disjuncted constitution would seek leaders from outside the regional institution or outside the region to deal with regional problems. This kind of watch dog works as a regional lobby, presenting the interests of the region to institutions that are regarded as responsible for the problems of the region. It is sometimes called a regional advocacy coalition. On the other hand, a watch dog institution with a conjuncted constitution identifies the leaders responsible for regional problems from among themselves. This type of watch dog acts as a regional conscience.

Regional joint ventures are differentiated according to the degree of collaboration among actors in the region. I would outline three degrees of joint ventures. First is the regional appointment. This level of collaboration includes agreement on the actions which ought to be taken by each actor in the region separately. A joint sponsoring goes one step further. A single actor takes actions on behalf of all the region's actors, who provide him with the necessary resources. Third, a joint action or joint venture, in a stricter sense than used above, might be the highest degree of regional collaboration. It implies that actors in the region establish and sponsor a new regional institution to implement approved measures or even to take measures by itself. In cases where this type takes over legal authority from a local or state level, one might also call it a regional governance institution. (See Figure 5.)

Figure 5: The Types of Regional Institutions
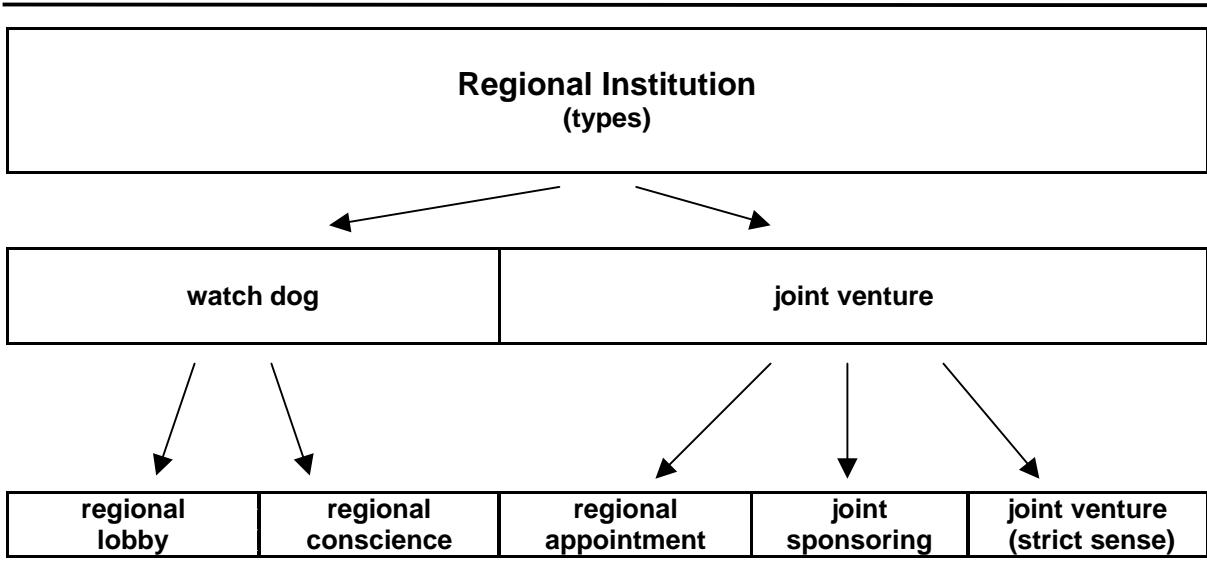
Looking back to the case studies given above, I would summarize their institutional types in the following way:

1. At present, the Bay Area Alliance for Sustainable Development is a typical regional conscience institution. If the bargaining process becomes a reality among the members of BAASD, it would become a joint venture institution in the shape of a regional appointment. Given the current trust and the sense of cooperation among its membership, such a strengthening of the BAASD may happen in the future.

2. The Bay Area Council works much like a project-driven regional lobby for its membership, but also implements projects like a regional joint venture (strict sense) by establishing and bringing in its resources.

3. EastBayTech.net is an example of a regional appointment institution. The more specific participants' commitments are, however, the more they improve the chances for effective control of each other, especially as compared with the mechanism of only social control, typical of regional conscience institutions.

4. The Economic Development Alliance for Business functions as a regional joint venture (in the strict sense) that partly facilitates the establishment of further regional joint ventures that do business in the same geographical area as EDAB itself.

5. Silicon Valley Manufacturing Group, with its partner, serves as a facilitator to the creation of a regional appointment among decision-makers in local governments by organizing best-practices workshops or among business leaders (members of SVMG, but not exclusively) as well as educational institutions in the region to promote its exchange programs. The Housing Trust Fund project of SVMG would qualify as a joint sponsoring type of institution. (SVMG channels the participation of the private sector.)

6. Joint Venture Silicon Valley, as a regional joint venture (in the strict sense) facilitated regional appointments through its working group and had a significant influence on the quality of these appointments.

Looking at Figure 5, it is clear that a sharp line distinguishes only the watch dog type regional conscience and the joint venture type regional appointment. This line can be recognized by the existence of a

bargain between the actors of the region involved.[9] An appointment rests on some sort of negotiation among actors on the actions to be undertaken by them. In a regional conscience type of institution, it is up to the actors themselves to decide what action to take. It is unlikely there will be an ex-ante negotiation on the appropriateness of actions among the actors involved. There might be a process that ex-post identifies the accountabilities of certain actors due to the criteria and aims that define the regional conscience. This, in turn, might result in some kind of agreement on what actions should or should not be taken. The future of the Bay Area Alliance for Sustainable Development, especially of the implementation of the Compact, could demonstrate a crossing of this line. For this purpose, however, it is useful to know that the two types of regional institutions are delineated by an indicator that is empirically operable, but does not exist solely for analytical reasons.

Final Comments

While the typology of regional institutions developed herein proves useful in understanding the examples, it shows problems with some aspects. First, the typology does not necessarily recognize structural details of the institution that are important for the success of its efforts. An example would be the facilitator role of a core institution in arranging a regional appointment in the Joint Venture Silicon Valley case study, or the Economic Development Alliance for Business's role as a facilitator for further joint venture institutions, such as MANEX. These dynamic actors create something like "centrality in the web of interorganizational linkages" in which they are involved (Ansell 2000: 311). Centrality is not necessarily provided by state institutions but also by private institutions. Second, there can be various types of regional institutions within a region, as the definition of the region very strongly relates to the definition of the project and the relevant actors within it. This fact is sometimes forgotten in top-down approaches to regionalization, when state subsidies for regional initiatives are given only to those regional leadership institutions that cover an area which is defined by the state donor, and regional leadership institutions that focus on a smaller or a border-crossing area are excluded.[10] Finally, a regional institution can vary as issues require differing degrees of interaction from the actors involved (e.g., various phases of the policy process and various degrees of collaboration). The Bay Area Council which functions like a regional lobby (promoting the water transport

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[9]   For differentiation and examples of bargaining processes in negotiations, see for instance Osborne & Rubinstein (1990).

[10]   Examples of this practice of governmental promotion of regional leadership institutions have been examined in Wegener (2000: 127–228).

system), on the one hand, and as a strict sense regional joint venture (Community Capital Investment Initiative), on the other, can be seen this way.

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