

The New Regionalism Inventing Governance Structures for the Early Twenty-First Century

Allan Wallis, Ph.D.

Associate Professor of Public Policy
University of Colorado at Denver

In her book, Medieval People, Eileen Powers describes the everyday lives of individuals living in the Middle Ages. She begins her study by asking the deceptively simple question, how did people know they were medieval? Clearly, they could not open the morning paper or turn on the evening news and read: “Rome Falls: Middle Ages Begin!” Often, momentous transformations fail our perception, in part, because we try to frame them in our old ways of seeing.

Bruce Katz, of the Brookings Institution observes that today we live our lives regionally. We live in one community, work in another, shop in still others--where the price or selection is right, and cheer for a “home” team that is twenty-five miles away. Yet we continue to identify ourselves locally, focusing on how different we are from our near neighbors. We are trying to frame the new in term of the old, and our resulting actions are producing failure.

Bill Fulton, author of Reluctant Metropolis, about the Los Angeles area, analyzes that region’s failure to come to terms with its reality. If metro-LA were an independent nation it would have the sixth largest economy in the world, and if it were an independent nation people would have no difficulty identifying with it. Meanwhile, LA continues to tear itself apart from inside.

But not all regions suffer the same paralysis. Around the world--in developed as well as in developing countries, in metropolitan as well as in rural areas--there is an extraordinary amount of innovation directed toward the challenges of creating effective regions.

- In England, a little more than two years ago, British Prime Minister Tony Blair expanded the boundaries of the historic City of London--an area of about one square mile--to encompass the entire region. His action simultaneously created the post of mayor, which has the potential of becoming the second most powerful position in the nation.
- In the Netherlands, at about the same time, Parliament passed legislation establishing new regional governments with sweeping powers. As part of that action, a proposal to dissolve the City of Rotterdam--the world’s busiest port--and restructure the region into municipalities of equal size is seriously being considered.
- In the metro region of Denver, Colorado, county and municipal governments have joined together in a voluntary compact to establish an urban growth boundary.

- In the Silicon Valley area of California, a private industry group led development of a regional vision and plan, and has been tracking progress toward its implementation through annual benchmark reports.

All of these examples speak to the emergence of a powerful regional consciousness driving a wide variety of efforts to invent a new capacity for governing regions.

The New System of Regions

The motivating force behind the renewed interest in regionalism is emerging from several sources. First, globalization of the economy. Syndicated columnist Neal Pierce and his colleagues at the Citistates Group observe that the end of the Cold War had the effect of accelerating the globalization of a post-industrial economy. International trade agreements like NAFTA, and the development of a European Community all demonstrate reduced economic competitiveness on a country-by-country basis, and increased competitiveness on a region-by-region basis.

A second challenge consists of achieving sustainable development. Around the world, population pressures are pushing against environmental capacity. Increasingly, we are trying to balance economic growth, with environmental preservation and social equity. Part of the solution requires acting regionally. After all, water basins, air shed, and commuter shed are all regions.

Finally, the US and several other countries are undergoing a devolution revolution. More of the policy making and service delivery functions mandated by federal and state governments are being directed to the local level. Many of these--transportation, air and water quality planning, and an increasing amount of social services planning--are required to be carried out at on a regional basis. Others are becoming regional on a voluntary basis.

In short, we are seeing the rapid emergence of a global system of regions. As Pierce and his colleagues interpret it, a return to citi-states.

The Regional System: What's new about the "new regionalism"?

These challenges are not transitory. They mark a major shift in the environment in which all sectors--public, private and nonprofit operate--and they call for invention of a new regional system.

Several scholars have begun to use the phrase "the new regionalism." They mean to contrast current experiments with the old regionalism, which generally refers to a varied body of theory and practice spanning the period from the 1880's to the 1980s. But what's new about this new regionalism? Let me briefly describe a set of six contrasting characteristics that I believe help define and distinguish it from the old regionalism.

- Governance vs. government. First, the old regionalism was basically about *government*, specifically about how to insert a new layer in the hierarchy of state-local relations. By contrast, the new regionalism is about *governance*; that is, establishing vision and goals, and setting policy to achieve them.

The work of governance involves private, nonprofit and public interests. Moreover, it's not always the public sector that invites the other sectors in. Sometimes it's the private sector, as in the case of the Silicon Valley in California, that takes the lead. In other cases it's the nonprofit sector, as in Cleveland, Ohio, that initiates the regional policy dialog.

Emphasis on governance recognizes that ensuring the future quality of life and competitiveness of a region is a shared responsibility of all sectors. Moreover, it requires the shared powers and talents of these sectors working strategically to affect change.

- Process vs. structure. The emphasis on governance suggests another characteristic of the new regionalism, it focuses significantly on *process* rather than on *structure*. The old regionalism spent a great deal of time looking at structural alternatives such as city/county consolidations, creation of urban counties, the formation of special purpose and multi-purpose authorities, etc. The new regionalism sometimes elects a structural alternative as a strategy for achieving an objective, but its main focus is on processes such as visioning, strategic planning, resolving conflict and building consensus.

In referring to the process-orientation of the new regionalism, it is important to distinguish this from the proceduralism of the old regionalism. The old regionalism used procedures as the pathway through structure. The new regionalism uses process as an alternative to structure and, at times, as a mechanism for creating structure.

- Open vs. Closed. The old regionalism was concerned with defining boundaries and jurisdictions. It wanted to clearly demarcate the region in terms of boundaries for growth, service delivery, job markets, pollution sheds, and the like. The region was, in effect, *closed*. You were either in it, or outside of it.

The new regionalism accepts that boundaries are *open*, fuzzy or elastic. What defines the extent of the region varies with the issue we're trying to address or the characteristic we are considering. The fuzziness of boundaries makes it easier to put together the type of cross-sectoral governing coalitions mentioned previously.

- Collaboration vs. coordination. The old regionalism focused on *coordination* including land use, infrastructure development, services, and the like. Coordination typically implied hierarchy; for example, a regional authority with powers to determine the allocation of resources to units of government within its boundaries.

By contrast, the new regionalism focuses on *collaboration* and voluntary agreement among equals. Collaboration abhors a hierarchy, because that suggests that someone, or some position, is in control. Collaboration thrives when parties to it see each other as distinct yet equal.

- Trust vs. Accountability. The old regionalism's emphasis on coordination was often accompanied by demand for *accountability*. We are fearful of the accumulation of

power, especially in the public sector, so we try to keep it in check through procedures of accountability. More often than not, accountability results in inflexibility.

Rather than accountability, we are now more inclined to talk about *trust* as a binding element in relations among regional interests. Part of the discussion about trust relates to the idea of employing regional social capital and civic infrastructure. These seem like very odd terms if we are thinking in the context of the old regionalism, but they are essential to ways of doing business under the new regionalism.

- Empowerment vs. Power. The old regionalism was perceived as drawing its powers from units of government above and below it. If effect, *power* was viewed as a zero-sum game, so the power to govern had to be taken from somewhere. Local jurisdictions often felt threatened that their powers would be diminished.

The new regionalism gains power by *empowering*. In many places, part of this empowerment is directed toward neighborhoods and communities, with the objective of getting them constructively engaged in regional decision making. Empowerment also consists of engaging nonprofits and for-profits in governance decisions that were once treated as the domain of the public sector alone. Rather than assuming a zero-sum game, employing empowerment is based on the assumption that new interests bring new energy, authority, and credibility; in short, it grows power or capacity in order to move a regional agenda.

These combine characteristics describe two different types of systems. The old regionalism is a system that can be characterized as a hierarchy. It models itself after the vertically integrated corporation that attempts to dominate a market by incorporating all of the means of production and distribution associated with its product line. In the corporate world, the hierarchical model is General Motors that tries to own its parts manufacturing and sales enterprises.

The new regionalism is a network-based system. Its center shifts to accommodate different tasks. Likewise, its membership expands to achieve necessary capacity, but shrinks when that capacity is no longer needed. In the corporate world, the network model is Wal-Mart, with a just-in-time relationship with its suppliers.

It's important to stress that the system that I've called the new regionalism does not require dismantling the old regionalism. The old regionalism continues to offer important solutions to significant problems. Rather, the new regionalism is most centrally a response to a new set of problems that the old regionalism was either not aware of, or was not designed to address.

Fig. 1. System Characteristics of the New and Old Regionalism

New Regionalism Network-Based System	Old Regionalism Hierarchy-Based System
Governance	Government

Process	Structure
Open	Closed
Collaboration	Coordination
Trust	Accountability
Empowerment	Power

Inventing Regionalism

I want to focus a little more on some of the kinds of efforts that characterize the new regionalism. As I do this, you will see application of many of the system characteristics that I've already described.

- Visioning. An important activity that often forms part of the new regionalism, is an attempt to define a vision. Normally we think of an established organization trying to articulate a vision as a way to mobilize resources in new directions. Marshall McLuhan tells the story of IBM in the early 1960's. It had been a company making typewriters, adding machines and the like. It was only when IBM realized that it was in the business of processing information that it could plot a clear course.

Most of the visioning being done in regions is not about setting a new course (e.g., revising a comprehensive plan), but about establishing an initial identity and direction. In 1990, a newly formed group, Silicon Valley Inc., brought the key stakeholders of the San Jose Region of California together to talk about how to make their community a more effective setting for attracting and maintaining computer-associated manufacturing. The process of forming the vision was integral to making the region real, that is, making it a collective entity capable of creating and implementing policy choices.

- Benchmarks and indicators. Many regions have developed benchmarking projects. For example, the Citizens League of Greater Cleveland has a benchmarking project comparing the performance of its region with a group of peer regions. A key objective of the project is to stimulate greater regional action as the result of showing people how their region as a whole rates along side others. These benchmarks have simulated diverse interests in the region to begin to think about how they can make themselves more competitive by acting more collaboratively.

In a similar way, the rural and resort area that runs along the spine of California's Sierra Nevada Mountains, has developed a benchmarking project called the Sierra Wealth Index. Again, a principal objective was to foster regional identity and mobilization by showing characteristics of the region's economy, environment and social structure.

These benchmarking projects precede and can operate independent of a vision. But many regions have used benchmarks as a way of demonstrating that they are making progress toward realizing their visions and its goals. The Silicon Valley vision, mentioned previously, was followed by an indicators project that has been repeated every year for almost a decade now. The indicator report reminds people that there is a vision and that work is being done to realize it.

- Media/civic journalism. Another way that regional awareness is being developed and shaped is by the media. Regional reporting has become part of the new civic journalism, providing stories that convey news across the region, but also developing a shared sense of regional assets and challenges. For example, the Miami Herald published a story recently on racial and ethnic relations in that region. It was based on a survey and focus groups conducted by the paper.

For almost twenty years now, the syndicated journalist Neal Pierce has been publishing reports on regions that are sponsored by and appear in the newspaper of that region. The Pierce Reports are designed to raise awareness of regional issues as well as to suggest solutions.

In addition to this kind of reporting, some of the most powerful--though unintentional--ways that the media conveys a sense of regionalism is in the images it provides as part of the evening weather forecast or the morning traffic report. We may be glad that we don't have to commute on a particular freeway, but we nevertheless know that traffic there is part of life in our region.

- Leadership development. One of the resources often lacking in regions is a corps of leaders who are willing to be advocates and champions for regional issues. Collaborative Economics, a research and training organization in Palo Alto, California has used the term "civic entrepreneurs" to describe such people. Others have referred to them as boundary-crossers. However you describe them, they serve the same role; to build bridges across sectors and jurisdictions in order to help unify a region. Many regions have developed training programs to try to grow new leaders capable of addressing regional problems.

I've already mentioned the idea of vision, so it's important to stress with regard to regional leadership that such individuals are typically not the creators of a vision. Rather, they work collaboratively to facilitate a shared vision among stakeholders of a region.

- Network formation and growing social capital. The new regionalism is highly dependent on formal and informal networks of social interaction. Research by political scientists, such as Robert Putnam at Harvard, conclude that regions rich in such networks are in a better position to identify opportunities and mobilize resources to advance themselves. Putnam calls these networks "social capital."

One of the things that many regions are trying to do, often in connection with leadership development, is to grow more social capital by expanding existing networks and creating new ones. Many US cities have leadership training programs that focus on a specific city, but there are still relatively few that have an explicit regional focus. Nevertheless, they are emerging and becoming a little more common.

One form that these new networks are taking is as regional civic organizations. These are nonprofits that draw membership from the public, private and nonprofit sectors. Their goal is to foster regional awareness and action.

- Collaboration and Conflict Resolution. A final area that I want to mention, one where a good deal of innovation is taking place, is around building skills of collaboration and conflict resolution. The Greenbelt Alliance in the Bay area has been working with individual communities to achieve the collective development of a greenbelt. In

Denver, county and municipal governments have signed on to implementing a voluntary growth boundary.

In several regions collaboration has taken a form that some business analysts have described a “coop-etition”. That is a situation where the jurisdictions in a region collaborate on selected activities, but compete on others. An example of this, again from Denver, is the Denver Network. This initiative, supported by all of the region’s chambers of commerce, involves marketing to region as a whole to out-of-state prospects. Once strong interest is expressed by a firm in locating there, individual communities are free to compete to get it for themselves.

In addition to such collaborative efforts, many regions have developed a conflict resolution capacity in order to reduce inter-jurisdictional disputes. Such disputes can paralyze a region, making it impossible to provide affordable housing, site landfills, or widening roads. Developing skills of collaborative leadership and conflict resolution are important, if not essential, in overcoming this paralysis, as well as in implementing a shared vision. Although these are skills that one would ideally like to find in, or train regional leaders to have, they are needed by more than leaders. Citizens of the region also have to adopt an ethic of collaboration.

These kinds of activities or initiatives are increasingly common in US regions. Most of the time they are initiated independently, often by separate organizations, but the regions which appear to benefit most from them try to sequence such activities so as to develop increasing regional awareness and mobilization.

Regional Capacities

Every region is going about the process of responding to challenges focused on a regional-scale in somewhat different and unique ways. One reason for the diversity of approaches is that the needs fostering regionalism differ from place-to-place. Some places are struggling to transform an old economy into a new one (e.g., Pittsburgh); other places are too new to ever have had an old economy (e.g., Las Vegas). In some places a threat to the natural environment (water pollution) or a threat from the natural environment (hurricanes) is the motivating factor.

It’s important to recognize that it is not needs *per se* that motivate regional action, but the perception of need. There are many regions that face significant environmental threats, but these threats are not mobilizing. Something like the threat of a declining economy can serve as a clarion call to action in one region, but only stimulates internal fragmentation in another region.

The approach taken by regions can also vary based on the degree to which residents of a region identify with it and perceive themselves to be citizens of a region. Distinguishing geographic features and natural boundaries can help foster regional identity. A common economy, a distinct cuisine, dialects, customs, a unique architectural style, a winning national sports franchise, and the like can all be elements fostering identity and citizenship.

We can think of the combination of perceived regional needs and identity as being strong or weak along a continuum. Residents who not only identify with the region, but who have developed a commitment of stewardship will characterize a region with strong identity. They will be concerned about preserving its physical environment and those aspects of its quality of life that are uniquely associated with the region. (See Figure 2)

Figure 2: Regional Identity & Perceived Need Factors

	Strength of Identity & Perceived Need
Strong	<ul style="list-style-type: none"> • Distinct and positive geographic and ecological character. • Distinct and positively regarded social and cultural characteristics • Shared sense of a motivating crisis or vision.
Weak	<ul style="list-style-type: none"> • Physical setting perceived as monotonous and of low intrinsic value. • Homogeneous pattern of urbanization often characterized by sprawl and repetitive development. • Population diversity perceived as a deficit.

Beyond differences in motivating needs and strength of identity, regions vary in terms of capacity. For example, a region that already has a strong tradition of environmental stewardship will find it easier to form a regional response to an environmental threat than one where no such capacity has been developed.

An important part of regional capacity, that we have only recently come to appreciate, is the idea of social capital that I mentioned previously. This consists of the formal and informal networks of communication among individuals and interest groups comprising a region. Shared values and trust among participants further define such networks.

We can also think of capacity as forming a continuum from strong to weak. Strong capacity consists of the ability to identify threats, as well as opportunities, and to mobilize resources to move a regional in a positive direction. Capacity includes such things as being able to perform technical analysis, institution in which people have trust and who are able to work with one another, and leadership which is regionally and not just locally focused. (See figure 3)

Figure 3: Regional Capacity Factors

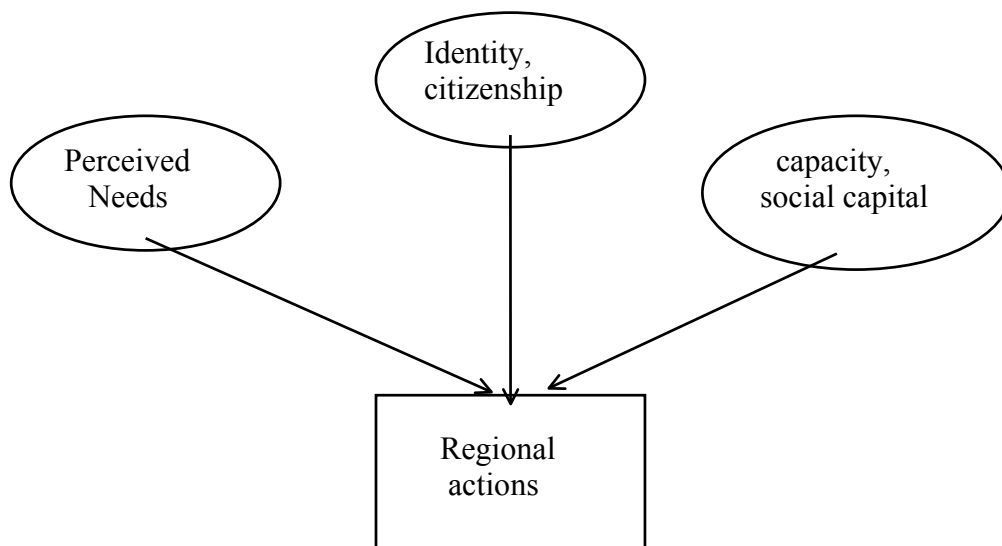
	Capacity
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Strong	<ul style="list-style-type: none"> • Trust in government • Capacity to conduct technical analysis • Tradition of effective collaboration across sectors and local jurisdictions. • Strong reserves of social capital.
Weak	<ul style="list-style-type: none"> • Low trust in government. • Lack of ability to conduct technical analysis. • Little history of collaboration. • Balkanized mentality among local jurisdictions.

Path Dependency

Economic historians observe that the way organizations, as well as nations, respond to a challenge depends on their past experiences. The picture just painted of regional capacities can be thought of more holistically in terms of establishing pathways of action embedded, in part, in institutional capacities. (See Figure 4)

Fig. 4. Factors Influencing the Path of Regional Action



Economic historian Douglass C. North concludes, “once a development path is set on a particular course, the network externalities, the learning process of organizations, and the historically derived subjective modeling of the issues reinforce the course. In the case of

economic growth, an adaptively efficient path...allows for a maximum of choices under uncertainty for the pursuit of various trial methods of undertaking activities, and for an efficient feedback mechanism to identify methods that are relatively inefficient and to eliminate them” (1990, p.99)

Applying North’s observation to regions, one could conclude that those regions that have developed formal and informal institutional arrangements for identifying challenges, as well as opportunities, not only act on them, but in so doing reinforce their strength as regions. Such regions will have lower costs in engaging in regional transaction because they are able to employ established capacity.

By contrast, the greatest challenge is for regions with low capacity to develop the ability to act regionally. They will have to place considerable resources into the effort, and will quite likely have to circumvent the work of some established institutions that effectively fragment the region. This is a formidable task, but failure to address it may mean that such regions will fall further and further behind in the new world order that is so rapidly forming around us.