Interjurisdictional Collaboration for Rural Regional Development: Bridging the Gap between Individual and Collective Interests

by

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ABSTRACT

INTERJURISDICTIONAL COLLABORATION FOR RURAL REGIONAL DEVELOPMENT: BRIDGING THE GAP BETWEEN INDIVIDUAL AND COLLECTIVE INTERESTS

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Based on the New Regionalism literature it was hypothesized that successful regional economic development projects would stem from interjurisdictional, collaborative relationships facilitated through social capital – longstanding networks and mutually shared norms of trust and reciprocity. Efforts to promote regional collaboration were present in the Okanagan Valley and Upstate California; however instances of true collaboration across jurisdictional boundaries were not prevalent. Collective action literature helped explain this lack of interjurisdictional collaboration through the concept of the rational actor. Rational self-interest among economic development officers, politicians and local businesses impeded collaboration. Stakeholders were found to act collaboratively, however, when results served individual interests. Identifying where these self-interests and collective interests merge in relation to some sphere of economic activity is an important role for regional economic development organizations who, with government supports, will be able to facilitate, induce and incentivize collective action with a broader regional focus.
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CHAPTER 1: INTRODUCTION

Recent literature on regional economic development, the “New Regionalism”, emphasizes the developmental potential of local endogenous characteristics that can contribute to regional competitive advantage. The New Regionalism also places importance on regional networks and partnerships that develop through regular face-to-face interaction, building norms of trust, reciprocity, and cooperation (Storper, 1997; Amin, 2002). Collaboration has been touted as advantageous in creating community capacity for development and for achieving developmental goals that might otherwise be unattainable (Booher & Innes 2002; Huxham, 1996; Himmelman, 1996). The New Regionalism suggests that social capital, built through ongoing social interactions in a community, enables people to work together freely based on their shared culture and norms of reciprocity, trust and benevolence. Putnam (1993) suggests that social capital is the foundation for social life and for collective action. Following the principles of the New Regionalism, the hypothesis for this research was that successful instances of regional economic development would be rooted in collaborative partnerships and regional networks built around social norms of trust and reciprocity.

The Evaluating Regional Economic Development Initiatives (EREDI) project, a joint partnership between the University of Guelph, the University of Waterloo and funded by the Ontario Ministry of Agriculture and Food, is tasked with examining emerging best practices in the organization, governance and structure of regional development initiatives in rural Ontario, North America and Europe. The research objectives of the EREDI project were the identification of interjurisdictional collaboration and examining the factors contributing to the success of such initiatives. It was the objective of this research to assess the merits and shortcomings of New
Regionalism theory for the examination and consideration of the case studies’ implications. Based on this New Regionalism literature it was hypothesized that successful instances of regional economic development would be based on interjurisdictional, collaborative relationships in the regional setting built on local stocks of social capital – longstanding networks of association, local empowerment and shared norms of trust and reciprocity.

Our criteria for case study selection required an existing and mature economic development organization, a minimum of three jurisdictions with an urban and rural composition, and collaborations that focused on innovation or value-added agriculture. Among the regions selected for value-added agriculture were Upstate California, in Northern California, USA and the Okanagan Valley in British Columbia, Canada. These case studies provide the empirical data explored in this thesis.

Through key informant interviews with economic development officers and local businesses in the case study regions, it was discovered that instances of collaboration in the context of economic development were hard to find and were not always fully supported by regional stakeholders. While some collaborative organizations and projects were found, the case studies predominantly documented how regional stakeholders were trying to overcome barriers to collaboration and actively trying to build norms of trust, reciprocity and cooperation where none previously existed. However, the anticipated fruits of collaboration were not yet realized.

These observations were unanticipated and required explanation. Because the New Regionalism promotes collaborative regional planning and there were many regional actors seeking to stimulate collaborative planning in practice, it was puzzling why there was so little collaborations found. To explain these unexpected results the analysis turned to the literature on collective action. Collective action theory offers two quite distinct perspectives on how humans
come to work together. One perspective views social capital as the lubricant of collective action, and this perspective underpins the New Regionalism literature. The other perspective views humans as inherently rational and self-interested, always striving to maximize individual benefits. The compelling tendency to “free-ride”, and not contribute to the creation of public goods, makes collective action difficult to generate or maintain. Rational actor theory suggests that overcoming this collective action problem requires coercion and/or government involvement through inducements (Olson, 1965). Coercion or inducements can align personal interest with collective interest and thus achieve a form of collective action.

Despite statements by proponents of the New Regionalism that networks built on social capital – trust, reciprocity and cooperation – will bring regional development, this thesis argues that the behaviour of most regional actors involved in the two case studies can be more aptly described using the model of the rational actor. It is not denied that strong stocks of social capital have the potential to facilitate development through collaboration; however this is not a realistic portrayal of how the people and organizations observed in the case studies interact in the pursuit of economic development.

This thesis begins with a review of the collective action literature in Chapter 2 and links the concept of social capital to the literature on regional development. Chapter 3 describes the case study regions and the data collection strategies employed. Chapter 4 provides examples of regional development initiatives in the two case study regions that achieved some degree of success, though draws the conclusion that little collective action and even less true collaboration were drivers of success. Chapter 5 then considers examples of failed regional development and Chapter 6 explores how solutions to rational self-interest can be balanced with the development of social capital to effectively address the barriers to collective action that exist in practice.
Chapter 6 also discusses possibilities for future research that would provide insight to the findings of this thesis.
CHAPTER 2: REGIONAL ECONOMIC DEVELOPMENT

There have been a range of regionally-based initiatives for the promotion of economic development (Danson et al., 2000). Across Canada there have been varying levels of federal and provincial support of regional economic development. The establishment of FedDev Ontario, a regional economic development agency for Southern Ontario (Bradford & Wolfe, 2010), the South Western Economic Alliance (SWEA), Joint Task Force on Northwestern Ontario Economic Development Planning, Eastern Ontario Development Fund, Southwestern Ontario Development Fund, and the Niagara Region Economic Development Office are a few Ontario examples. New Brunswick has a regional development corporation, a provincial Crown Corporation connecting government agencies, institutions and not-for-profit groups to provide community and economic development to marginalized regions (Government of New Brunswick, 2013). Nova Scotia recently initiated a review of regional development authorities in July 2012 in light of federal cutbacks to regional funding for all of the Maritime provinces, to “ensure that Nova Scotia had the best model in place [going forward] to support regional economic development in all regions of the province” (Nova Scotia’s RDA Review Panel, 2012, p. 1). The Government of Alberta partners with industry and communities on regional economic development initiatives, supporting Regional Economic Development Alliances (REDAs) and providing information and networking opportunities for regional actors (Government of Alberta, 2013). In the US, the number one investment priority of the Federal Economic Development Administration is collaborative regional innovation. According to their website the EDA will fund initiatives that support the development of regional competitive strengths and engage stakeholders; facilitate collaboration among urban, suburban, and rural (including tribal) areas (US EDA, 2013).

Emphasis (since 2000) has shifted to asset-based development that empowers local actors to drive change from within by mapping the range of economic, social, and cultural resources in a community and then building networks to leverage ideas, skills, and capacities (Morse, 2004). Two themes were common to the firms and communities repositioning for globalization (Noya, Clarence, & Craig, 2009). First, the importance of the social dimension in regional development, expressed as social capital to facilitate joint work across sectors and as the social economy to link enterprise and community so as to deepen local multipliers and assets. Second, was the emphasis on government as an “enabling partner” investing in the infrastructure of innovation (p. 6).

The development literature continues to debate the role of governments in development processes. The literature on the New Regionalism exemplifies the re-emergence of the region as a unit of economic analysis (Danson et al., 2000). The emphasis here is on enhancing regional strengths, engaging collaborative processes across governments, local and regional actors in the development of regional development strategies (Wolfe, 2010; Cheshire, 2000; Chaskin, 2001; Shortall & Shucksmith, 1998; Ray, 2006; Lee, Arnason, Nightingale, & Shucksmith, 2005). This approach, however, has not always led regional development efforts. This chapter will explore this literature to provide an understanding of how regional economic development theory has emerged and evolved.

**Exogenous Theory**

The New Regionalism emerges from the historical shift in regional economic development literature from exogenous development to endogenous development. In the context of regional economic development, exogenous development rests on the assumption that growth is driven
through external inputs of capital and labour into the region (Hubbard & Gorton, 2011) and public sector investment to improve the local infrastructure (Boothroyd & Davis, 1993). The neoclassical model of exogenous growth suggests that in order to sustain positive growth in an economy, there must be continual advances in technological knowledge: new goods, new markets, or new processes (Aghion & Howitt, 1998). Exogenous development is built on the growth model developed by Solow (1956) and Swan (1956) suggesting that capital is subject to diminishing returns. Given no technical progress or labour force growth within a region the effects of diminishing returns would cause an economy to decline (Button, 2011). In areas where this model was adopted in practice, tax relief and subsidies were used to attract large companies to relocate parts of their operations (Hubbard & Gorton, 2010). The practice of attracting and retaining external investment – primarily in the form of branch plants – has been called “smokestack chasing” by its critics (Boothroyd & Davis, 1993).

The common assumption in this approach is that top-down policies can be taken off the shelf and applied universally to all types of region, since at the heart of economic success lie a set of common factors (e.g. the rational individual, the profit maximising entrepreneur, the allocative free market, and so on) (Amin, 1999).

**Endogenous theory**

Endogenous development emerged as a response to the exogenous model’s inability to fully deliver economic and social benefits of operations to the local level. Branch plants failed to reinvest profits into the local region and worked to siphon surplus value outside the region (Hubbard & Gorton, 2011). Bryden and Dawe (1998) argue that an endogenous model is
preferable because the use of local resources would generate greater multiplier effects due to local reinvestment of profits and wages spent at various supporting businesses.

Endogenous theory framed technological change, innovation, increases in productivity, and enhanced local skills as the result of a process of “learning-by-doing” within a firm, industry or region (Button, 2011). This early model worked to supplement exogenous theory rather than undermining it (Hubbard & Gorton, 2011). The fundamental idea was to “unlock the ‘wealth of regions’ as the prime source of development and renewal” (Amin, 1998).

The recognition of the importance of endogeneity came as economists recognized the economy as an “instituted process and a socially embedded activity” (Amin, 1999). While there is no agreed upon definition, there is general agreement on the characteristics of endogenous regional development, from a sociological perspective (Vanclay, 2011). These characteristics include a goal to create diversified, resilient local economies, local control of development options, local retention of benefits, employing specific resources of an area (natural, human, cultural) for sustainable development, an appreciation of rural multifunctionality, and a focus on capacity building (skills, institutions and infrastructure) (Vanclay, 2011; Ray, 2000; Amin, 1999; Long & Douwe van der Ploeg, 1997; Lowe, Murdoch, & Ward, 1995).

New Regionalism

The New Regionalism builds on endogenous development principles; it places the region as the primary focus of economic policy (Lovering, 1999) with the encouragement of spatial clustering and integration at the regional level (Webb & Colliss, 2000) moving away from centrally controlled policies favoured by exogenous theory (Ohmae, 1995). The literature on New Regionalism suggests that the (external) central state is no longer the primary player in regional
economic policy and decision-making. The new regionalist perspective places emphasis on the “local things” (skills, knowledge, natural resources, relationships, social capital, governance) as primary contributors to a region’s competitiveness (Amin, 1999) and the concept of local to global connectivity, where the region has direct links to the international markets (Hubbard & Gorton, 2011).

The New Regionalism offers an empirical description and explanation of historical events and also a series of normative claims regarding principles of effective regional economic development. The descriptive and empirical perspective contends that a process of economic decentralization and regional networking has happened naturally over time in response to global economic and social changes (Danson et al., 2000). The accompanying normative claims contend that the region has now emerged as the most appropriate level to coordinate economic policy and should be the level at which future economic policy concentrates its focus (Lovering, 1999).

**The Descriptive Approach**

Several writers describe a historical/empirical emergence of the region in economic and social development as a foundational element in the emergence of the “New Regionalism” as a theory. Amin (1999) describes The New Regionalism, as a derivation of the transition from Fordism to Post-Fordism and the instability of mass markets. Small firms began developing more flexible systems to deal with the uncertainty that comes from the fragmentation of formerly secure and stable mass markets (Amin, 1999). The region allegedly provides the necessary scale for firms to innovate and specialize, drawing on statements in endogenous theory which identifies the efficiencies of scale and competitive advantages associated with spatial clustering (Porter, 1994).
The region is taken to be a geographic source of competitive advantage and economic organization in the context of globalization (Scott, 1995; Cooke, 1997).

The New Regionalism is also described as emerging from the restructuring of the nation state. International markets, communications technology and the individualization of social life are cited by Keating (1997) as deconstructing ‘territory’ as a principle of organization. The level of the nation state has proven less effective for coordinating economic policy – too small to deal with global capitalism but too large to respond effectively to rapidly changing local economies (Amin and Tomaney, 1995; Keating, 1997). Jessop refers to this as the “hollowing out of the state” (Jessop, 1995). Jessop (1998) makes the argument that an emerging mode of regulation and coordination has developed from the grassroots level, responding to the failures of top-down government policies to effectively account for subtle nuances of the local and regional development context. These forms of coordination include inter-firm networks and public-private partnerships at the regional level. Stohr (1990) observes that vertical organizations and central state decision-making failed to create the conditions needed for a local entrepreneurial climate or solve location-specific problems like unemployment or a lack of innovation. More flexible, decentralized systems were needed given circumstances at the time, and an emphasis on indigenous business creation with resurgence in small to medium size enterprises embedded in the local economies, emerged (Stohr, 1985).

Amin and Thrift (1994) maintained that ‘global processes can be “pinned down” in some places, to become the basis for self-sustaining growth at the local level’. Where local institutions facilitated a culture open to new ideas and change, it was possible for firms to move beyond Fordism where competition is based on mass production and economies of scale, to post-Fordism where successful competition is possible through innovation, able to produce on a smaller scale
quickly, and so gain the extra price advantage, or value added, from being first or different in ‘niche’ markets. The economy comes to be seen as “something more than a collection of atomised firms and markets driven by rational preferences and a standard set of rules” (Amin, 1998, p.4). For Amin (1998) the economy is “a composition of networks and collective influences which shape individual action; a highly diversified set of activities owing to the salient influence of culture and context” (p.4).

The increased recognition of the importance of institutional histories and the relationships between the firms and organizations within them (Grabher 1993; Amin 1999) has been referred to as the “Institutional Turn” and was founded on Polanyi’s (1944) concept of embeddedness. Here “institution” refers to recurrent patterns of behaviour – habits, conventions and routines (Morgan, 1997). Small firms in a local or regional economy are in a stronger position to survive if they are embedded in a network of relationships which encompass family ties, local loyalties and trust, expectations, and shared responses to crises or threats (Coulson & Ferrario, 2007). The localisation of economic activity strengthens the economy through the development of “institutional thickness”. Regular face to face interaction through regional networks is said to build tacit knowledge and institutional norms like trust, reciprocity, and cooperation (Storper, 1997; Amin & Thrift, 1994). Institutional thickness is said to create conditions favorable to regional economic growth, by enabling collective action and discouraging opportunistic and dishonest behaviour (Martin, 2000).

**Normative Bias through Policy**

The observed successes in various regions have led policy makers and academics alike to suggest that economic development should use the region as the primary focus of economic policy and
that developing regional networks and values like trust and reciprocity should be encouraged so that the region can capitalize on its local assets (Amin, 1999).

Lovering (1999), a critic of New Regionalism, distinguishes between what he calls sophisticated versions of the New Regionalism based on “hypothetical possibilities” and a “vulgar” alternative with normative bias that encourages political efforts to create and strengthen the processes described above.

Sophisticated New Regionalism for Lovering (1999), operates in a theoretical space, unaffected by claims concerning the real world as it points out theoretical possibilities such as the role of relations of ‘Trust’ in economic clusters or industries. Vulgar New Regionalism conversely, assumes or implies that theoretical categories can be translated to real-world applications. This vulgar form of New Regionalism is burdened by a normative political bias, and a tendency to create simple policy recommendations out of sophisticated theoretical perspectives. MacLeod (2001) contends this disposition amongst academics and politicians is rendering much regional theory to be ‘led by policy’ or as Lovering (1999) puts it, “the policy tail wagging the analytical dog”. Lovering (1999) suggests that “the growing influence of the New Regionalism may owe less to its genuine explanatory and normative merits than to its instrumental utility to powerful industrial, state and social constituencies” (p.389). New Regionalism policies have been employed to serve a neoliberal agenda of “state downsizing”.

While Lovering writes critically of the New Regionalism with regards to state downsizing, other academics have also expressed concern about this “crude policy transfer”. Storper (1995; 1997) cautions that concepts discussed in his work like “untraded interdependencies” and “conventions” are often locally-specific relational assets that are non-codifiable and extremely difficult to transfer across geographic, political and economic borders.
Amin (1999) similarly contends that contemporary policy solutions to the issues discussed in this literature need to be context-specific and sensitive to local path-dependencies. Ostrom (1990) touches on this same point when she says the specific operational rules, rooted in shared interests and values within groups managing common pool resources, “…differ markedly from one another. Thus, they cannot be the basis for an explanation across settings” (p.89).

The conclusion we need to draw from these cautionary passages and the “vulgar variant” of New Regionalism identified by Lovering (1999) is that normative applications of the New Regionalism to guide policy may not represent an accurate picture of what is intrinsically effective in regional economic development. The lesson here for this research is that theory can lead to prescriptive policies while ignoring evidence about the effectiveness of those prescriptions. This thesis strives to examine the evidence and explain what is actually occurring in practice and thus is based primarily on a deductive approach to research.

**Collective Action for Regional Economic Development**

The regional economic development literature, including the New Regionalism, implies that successful instances of regional economic development, today, will be based on collaborative relationships in the regional setting enabled through longstanding networks of association and shared norms of trust and reciprocity. Collaboration here is one form of collective action (Himmelman, 1992).

**Defining Collective Action**

There are many different concepts of collective action, and definitions vary. Most definitions, however, share the idea that collective action requires the involvement of a group of people, a
shared interest within the group and some common action which works in pursuit of that shared interest (Meinzen-Dick, Di Gregorio, & McCarthy, 2004). In the context of regional economic development, people come together to work towards improving the economic prosperity of the region, across municipalities and other governmental jurisdictions and hierarchies. Marshall (1988) defines collective action as an “action taken by a group (either directly or on its behalf through an organization) in pursuit of members’ perceived shared interests”.

Himmelman (1992) offers a typology of collective action ranked by varying levels of commitment and complexity: networking, coordinating, cooperating, and collaborating.

**Figure 1 - Himmelman’s Continuum of Complexity and Commitment**

- **Collaboration**
  - exchanging information
  - altering activities
  - sharing resources
  - enhancing the capacity of another
  - for mutual benefit and to achieve a common purpose

- **Cooperation**
  - exchanging information
  - altering activities
  - sharing resources
  - for mutual benefit and to achieve a common purpose

- **Coordination**
  - exchanging information
  - altering activities
  - for mutual benefit and to achieve a common purpose

- **Networking**
  - exchanging information for mutual benefit

(Himmelman, 1992)
Himmelman here refers to a “continuum of complexity and commitment”. There is increased complexity and increased commitment as one moves from networking through coordination and cooperation to collaboration (Himmelman, 1992).

There are two major streams of collective action theory. Earlier literature on collective action was based on Olson’s (1965) rational actor hypothesis. This hypothesis views humans as inherently self-interested and unwilling to work together without some kind of mandate or inducement from an external party, such as laws, policies or incentives (Olson, 1965). Hardin (1968) like Olson (1965) stresses the need for government interventions to solve collective action dilemmas in the management of common natural resources. Ophuls (1973) similarly argued that the rationale for government with major coercive powers is overwhelming, and that avoiding the misuse and overconsumption of common resources will only come through Leviathan which refers to legitimate government (Hobbes, 1651).

While Olson’s rational actor model contends that governments need to be directly involved through inducements and coercion, the literature on New Regionalism suggests that the (external) central state is no longer the primary player in regional economic policy and decision making. The new regionalist perspective places emphasis on the “local things” (skills, knowledge, natural resources, quality of life) as primary contributors to a region’s competitiveness (Keating, 1997). The New Regionalism demonstrates a shift away from the rational actor model, advocating principles of social capital including shared norms of trust, reciprocity, that facilitate collective action in long-standing networks of association (Amin, 1999; van der Ploeg et al. 2000). Community capacity building literature similarly states that bottom-up, community-led development projects will be more successful and/or sustainable than top-down government driven projects as there is community buy in (Cheshire, 2000).
Elinor Ostrom and Voluntary Civic Association

Ostrom expressed concern in her work with policies based on conceptions of induced or coerced collective action and effectively shifted theoretical and empirical research towards instances of voluntary collective action. Ostrom shifts the discussion away from the model of rational self-interested actors, focusing instead on the social elements of the economy and the collective management of common goods. Ostrom challenges a number of derivations from the work of Olson (1965) and Hardin (1968).

Ostrom objects to assertions that central authority impositions are “the only way” or the only plausible solution to collective action problems. “I do not argue for either of these positions. Rather, I argue that both are too sweeping in their claims. Instead of there being a single solution to a single problem, I argue that many solutions exist to cope with many different problems” (Ostrom, 1990, p.105).

Ostrom instead suggests that people do sometimes commit to a cooperative strategy arrived at independent of government intervention – by the people. Ostrom goes on to pursue empirical observations of cooperative fisheries and irrigation communities and institutions (successful instances of cooperative institutions governing common pool resources) to develop a set of design principles that facilitate long-enduring common pool resource institutions (Ostrom, 1990). According to Ostrom (1990), “extensive norms have evolved in all of these settings that narrowly define ‘proper’ behavior” (p.88). In this context, “proper” behaviour refers to living harmoniously and continuing the pursuit of individual livelihoods. Thus for Ostrom (1990), “prudent, long-term self-interest reinforces the acceptance of the norms of proper behavior” (p.89) as people live in close interdependence. “Individuals share a past and expect to share a future” (Ostrom, 1990, p.88). Ostrom here departs from Olson’s work through the recognition of
social values influencing decision-making, but strikes a balance by acknowledging the presence of a rational (Olson, 1965) (or as she says “prudent”) self-interest. Ostrom’s work is in the field of institutional economics from which comes the idea that economies are shaped by longstanding collective forces – a process not a mechanical system of individual preferences (Hodgson, 1988). These forces include formal institutions such as laws, rules and organizations and informal institutions such as individual habits, group routines and social norms and values (Amin, 1999). Ostrom (1990) and other institutional economists have instilled a recognition of the economy as something more than individual firms driven by rational self-interest, but rather a collection of influences that shape individual action, emerging from social and cultural histories (Amin, 1999). This is an important step as Ostrom has repositioned the central focus of inquiry onto social relationships in communities faced with collective goals or challenges.

**Social Capital**

From economic sociology comes the idea that markets are socially constructed (Bagnasco, 1988) and economic behaviour is embedded in networks of inter-personal relations (Granovetter, 1985), influenced by aspects like mutuality, trust, co-operation, or their opposite (Fukuyama, 1995).

There are many different applications of social capital, mostly touching on the ability to access resources through various social relationships. In all definitions we see common elements, notably, the membership in a network of people and the accomplishment of common goals attributable to membership in this network (Bourdieu, 1980; 1986; Coleman, 1990; Putnam, 1993). The relative presence of the concept of social capital in these works, has been used as a predictor of, among others, school attrition and academic performance, children’s intellectual
development, sources of employment and occupational attainment, juvenile delinquency and its prevention, immigrant and ethnic enterprise (Portes, 1998) and regional economic development (Putnam, 1990). This literature compliments the work of Ostrom as it provides greater focus on the relationships people build in the economic development sphere and the associated benefits these bring.

Putnam’s (1993) work, which incorporates some aspects of Bourdieu and Coleman, relates social capital theory to observations of collective action and civic involvement. Putnam’s empirical application of social capital in Italy uncovers social capital’s utility in fostering regional economic development specifically.

**Bourdieu and Coleman**

Pierre Bourdieu produced the first known analysis of social capital. Bourdieu defined social capital as the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition (Bourdieu 1985; 1980). Bourdieu’s focus is instrumental, looking at the benefits amassed by individuals through participation in groups. Similarly, for Coleman (1990), social capital is created as relationships built on social structures become appropriable by an actor for productive use in the pursuit of his interests. For Coleman (1990), social capital develops as individuals spend time and energy working together in groups in order to achieve certain goals otherwise unattainable without social capital. Social capital’s productive capacity results from its ability to facilitate or hinder the flow of information, exert control over others and oneself, and the creation of social solidarity (Sandefur & Laumann, 1998). Social capital facilitates the exchange of other forms of capital – economic, human and cultural – characterized by norms of
trust and expected reciprocity, thus differentiating them from simple market exchanges (Portes, 1998). Coleman (1990) specifically focuses on the potential for social capital to facilitate the creation of other forms of capital, specifically human capital and educational credentials. Bourdieu (1985) still acknowledges some individualistic behaviour, stating that “the profits which accrue from membership in a group are the basis of the solidarity which makes them possible” (p.51), where people find merit in working together to produce individual gains.

**Robert Putnam**

Putnam, similar to Bourdieu and Coleman, examines the utility of social capital in creating advantages for those within the group or society. For Putnam, social capital refers to features of social organizations, such as networks, norms, and trust that facilitate action and cooperation for mutual benefit.

Putnam (1993) addresses the collective action dilemmas discussed by Olson. The failure to cooperate (or collaborate) for mutual benefit is not seen by Putnam as ignorant, irrational or malevolent; rather he sees the individuals involved as being “trapped”. In most situations all parties would be better off if cooperation were possible. In the absence of coordination and mutual commitment (established through norms of trust and reciprocity), however, people avoid cooperation “ruefully but rationally”, and confirm each others’ original assumptions that mutual assistance will not be reciprocated. Putnam builds on social capital literature to explain this further. For Putnam (1993) “trust lubricates social life” (p.3).

Putnam draws the link between collective actions and the development or prosperity of a region, through civic engagement in various political and public institutions. Putnam made the empirical observation that well governed and economically successful cities are thus because
they have high social capital, which he measured through civic participation and civic virtues (Putnam, 1993).

The focus on collective action and economic development is evident in Putnam’s work which explicitly states “working together is easier in a community blessed with a substantial stock of social capital” (Putnam, 1993, pp.35-36). “Social networks and norms of reciprocity can facilitate cooperation for mutual benefit” (Putnam, 2000, p.16)

Putnam arrives at his concept of social capital through his analysis of civil society in Italy, and the necessary conditions to enable responsive government and a strong economy (Putnam, 1993). This work follows from the work of Alexis de Tocqueville (1835) who associated the success of democracy with the propensity for civic association.

Americans of all ages, all stations in life, and all types of disposition, are forever forming associations. There are not only commercial and industrial associations in which all take part, but others of a thousand different types--religious, moral, serious, futile, very general and very limited, immensely large and very minute. . . . Nothing, in my view, deserves more attention than the intellectual and moral associations in America (Putnam, 2000, p.65)

Putnam analyzed 20 new regional governments in Italy, in an attempt to understand how government performance varies over time and place. Some governments proved to be significant failures while others created innovative new programs, encouraged new economic development and effectively managed the region’s administrative tasks (Putnam, 1993). Putnam noted that regions displaying a prevalence of civic activity and association had stronger local governments and economies. Putnam’s central thesis argues that a well-functioning economic system and a high level of political integration are the result of a region’s successful accumulation of social capital (Putnam, 1993) that enables collective action through various civic associations throughout the region. Putnam measured civic engagement in terms of voting activity, the reading of newspapers, and participation in sports clubs and voluntary cultural associations
In this research Putnam profiled civic and ‘uncivic’ regions in Italy. Civic regions such as Emilia Romagna and Tuscany have many active community organizations and citizens are engaged by public issues. They trust other citizens to act fairly, obey the law and leaders in these communities are honest and committed to equality. Social and political networks are organized horizontally, not hierarchically. These “civic communities” value solidarity, civic participation, and integrity and in these communities democracy is more effective (Putnam, 1993). In uncivic regions, like Calabria and Sicily by Putnam’s observations, engagement in social and cultural associations is weak because citizens view public affairs as somebody else’s business, that of the politicians. In areas where corruption prevails, people feel powerless, exploited, and unhappy. Representative government here is less effective than in more civic communities (Putnam, 1993).

**Cumulative Nature of Social Capital**

In Putnam’s (1993) analysis of civic involvement in Italy, he found that social capital has deep roots traced back nearly a millennium where communal republics were established in places like Florence, Bologna, and Genoa. Today these communities enjoy civic engagement and successful government.

At the core of this civic heritage are rich networks of organized reciprocity and civic solidarity – guilds, religious fraternities, and tower societies for self defense in the medieval communes; co-operatives, mutual aid societies, neighborhood associations, and choral societies in the twentieth century (Putnam, 1993, p.4).

Amin (1998) supports the idea that stocks of social capital, such as trust, norms, and networks, tend to be self-reinforcing and cumulative. Successful collaboration in one endeavor builds connections and trust – social assets that facilitate future collaboration (collective action).
in other, unrelated tasks (Amin, 1999). Social capital, Hirschman (1985) says, is a “moral resource” – a resource whose supply increases rather than decreases through use and (unlike physical capital) decreases without use.

Laboratory experiments in collective action have demonstrated that social capital is spontaneously generated continually through the playing of iterated Prisoner’s Dilemma games. These repeated social interactions between individuals and groups are said to develop trust, social norms, and strengthen co-operation and reciprocity (Fukuyama, 2001). For Ostrom (1990), “prudent, long-term self-interest reinforces the acceptance of the norms of proper behavior” as people live in close interdependence. “Individuals have shared a past and expect to share a future” (Ostrom, 1990, p.88). Similarly Bourdieu’s concepts of social capital contend that it is misleading to speak of ‘society’ or ‘community’ as an objective reality; that it is rather constructed through a process of political struggle that mobilises, expends and accumulates social capital (Fukuyama, 2001). Bourdieu’s concept of habitus supports the notion that past events influence current situations. Habitus for Bourdieu (1977) is “the past which survives in the present”, “immanent law…laid down in each agent by his earliest upbringing” which “makes possible the achievement of infinitely diversified tasks, dominated by the earliest experiences” (p.226).

**Proposed Benefits of Collective Action**

Working collectively throughout a region, across jurisdictions, sectors and public/private partnerships, is assumed to be advantageous to building local capacity and better accomplishing regional economic development goals (Cheshire, 2000; Putnam, 1993; Chaskin, 2001; Booher & Innes, 2002; Huxham, 1996). Ostrom (1990) observed and promoted the effective governance of
common pool resources, from land tenure to irrigation districts, through voluntary collective associations.

Collaboration more specifically is said to create stronger competitive advantage. Huxham (1996) uses the term “collaborative advantage” to describe what occurs when synergy is created amongst organizations and something “unusually creative” is produced that is otherwise unattainable without the collaboration. Booher & Innes (2002) refer to “collaborative power”, where power means “capacity to produce intended results”, as something that occurs as interdependent actors building on their complimentary skills to create new potential. Himmelman (1996) contends that collaborative advantage emerges as individuals, public and private agencies and businesses in a society communicate and interact. Bourdieu (1986, 1998), thinks the conception of capital (social, cultural and economic) is the notion that entails the capacity to exercise control over one's own future and that of others. Cheshire (2000) discusses the importance of empowerment of communities by political bodies for more effective and sustainable development projects. Simpson, Wood, and Daws (2003) similarly discuss evoking active communities and active citizens for more effective economic and social program delivery.

Ostrom (1990), Booher & Innes (2002), Cheshire (2000), Chaskin (2001), Himmelman (1996), and Huxham (1996) all share with Putnam the suggestion that social relationships build greater capacity for regions to develop their economies, as opposed to a focus on central government intervention, coercion, and external inputs to the economy. The increased focus on the social influences is what distinguishes this thread of literature from the rational actor.

Mennonite barn raisings are an example of the power of collective action in the rural Ontario context. These events are well known for the impressive speed at which they complete the rebuild of a traditional barn and the quality of craftsmanship in the design and construction of
the final product. Usually occurring due to a fire or other natural disaster, barn raisings are a good example of the increased capacity that comes through collaboration and their utilization of informal networks within society for mutual aid (Lee, 1984).

Putnam (2000) draws a similar link between social capital or “civic engagement” to economic development. Putnam cites the propensity for success in civically engaged communities in fields such as education, urban poverty and health.

**Social Capital Typologies: Bonding, Bridging and Linking**

Putnam (2000), in response to criticisms of his overly positive portrayal of social capital has revised his work to include distinctions between bridging and bonding social capital. For Putnam (2000) bridging social capital connects diverse groups whereas bonding social capital presents the possibility of cementing existing homogenous groups in their ways. Bridging social capital builds new connections between heterogeneous groups and is equipped to foster inclusion of various perspectives and opinions, and build collective interests (Putnam, 2000). Bonding social capital consists of cooperative relationships built on trust between members of a network who share a common identity (Szreter and Woolcock, 2003).

The concept of linking social capital introduces dimensions of power and socioeconomic status into the discussion of social capital that is of particular interest to the study of economic development. Where horizontal social relationships comprise notions of bridging and bonding social capital, linking social capital describes social relationships that exist across explicit institutionalized levels of power and authority (Szreter and Woolcock, 2003). Social capital thus has a vertical dimension, described as “linking”, which serves to connect small communities
with formal institutions, governments, bankers, social workers (Szereter and Woolcock, 2003), and economic development officers.

**Balancing Positive and Negative Outcomes of Social Capital in Practice**

Much of the literature on social capital stresses its positive outcomes such as the facilitation of beneficial collective action, though some criticized early works as overly optimistic, failing to focus on the negative repercussions associated with strong stocks of social capital (Portes, 1998). There are instances where academics have identified social capital as excluding people, ideas and impeding innovation and growth.

These types of social capital, bridging, bonding and linking, can co-exist (Putnam, 1990). The poor, for example, may have very close, tight-knit communities with strong stocks of bonding social capital, helping them to persevere through day-to-day struggles (Briggs, 1998; Woolcock, 2002) however it is this same bonding social capital that is used to reinforce the stratification between rich and poor. Further, the poor often lack sufficient linking capital that could connect them to external resources and lift them out of poverty (Woolcock & Narayan, 2000).

Bonding social capital conversely refers to the links between like-minded people and thus can work to reinforce homogeneity (Baron, Field, & Schuller, 2000). Bonding social capital, when referring to ideologies, can work to reinforce the status quo and can inhibit change. When talking about innovation and economic development, bonding social capital can be detrimental, by stagnating innovation and inhibiting new solutions to problems. Bonding social capital can reinforce segregation between diverse groups that may have otherwise come together to create something new, and it can reinforce and justify an old, out-dated way of doing things.
Granovetter (1985) suggests that networks of “weak ties” may be more dynamic than those dominated by “strong ties”. Weak ties still offer economic agents the benefits of cooperation and access to resources, while strong ties such as those in criminal networks have “lock in” effects that create stagnation (Granovetter, 1985).

The importance here is to distinguish between empirical observations and overly optimistic normative statements. Part of the theoretical appeal of social capital for normative theories of economic development like the New Regionalism, is that it brings people together and enables collective action and innovation. New Regionalism contends that social capital builds “learning regions” where innovation and adaptability happen as people come together and share ideas. Here emphasis for policy is built around creating an environment conducive to learning, innovation and growth (Webb & Colliss, 2000). The concept of governance as opposed to government is stressed, moving away from prescriptive top-down policies towards dynamic, reflexive and bottom-up model based around group learning (Webb & Colliss, 2000). The analysis of bonding social capital however, demonstrates this is not always the case. The concept of bonding social capital explains those instances where innovation, progress and economic development can be impeded by adherence to the status quo through deeply entrenched cultural values and strong stocks of social capital.

**Rational Actor**

Social capital has been discussed as a facilitator of collective action and a foundation for regional economic and social development. Its merits have been discussed which include alleviating collective action problems and fostering positive collaborations that lead to regional economic development (Putnam, 1993). The negative repercussions of social capital, more recently acknowledged in the literature, have also been discussed, providing examples where social
capital is not always a contributor to regional economic development. Furthermore, there is a longstanding body of literature on collective action that rejects the optimism surrounding the proposed merits of social capital. While much of social capital research emerged contesting the concept of a rational self-interested actor (Olson, 1965), the rational actor based literature remains prevalent and suggests that New Regionalism, as it is depicted, will be more difficult to achieve than suggested.

Based in Public Choice theory, this model describes self-interested actors who make rational decisions weighing potential benefits for the individual with the required commitments of collective action in an attempt to maximize individual benefits (Ostrom and Ostrom, 1971). Self-interest implies that individuals have independent preferences that affect the decisions they make. Self-interests in the rational choice model are based on anticipated material value or economic profit (Miller, 1999). Rationality is defined as the ability to rank all known alternatives available to the individual based on values. The maximization strategy implies that individuals will choose alternatives they think will bring the highest net benefits, based on their own independent preferences (Ostrom and Ostrom, 1971). Finally, decision making is based on the level of information available to the individual actor which involves certainty, risk and uncertainty. Decision making changes based on the knowledge of available strategies for action as well as knowledge of eventual outcomes coming from these actions (Olson, 1965).

This concept of a rational actor is based on the concept of the “economic man” from traditional economic theory, described below by Simon (1955):

This economic man, in the course of being "economic" is also "rational". This man is assumed to have knowledge of the relevant aspects of his environment which, if not absolutely complete, is at least impressively clear and voluminous [available information]. He is assumed also to have a well-organized and stable system of preferences [self-interest], and a skill in computation that enables him to calculate, for the alternative courses of
action that are available to him [rationality], which of these will permit him to reach the highest attainable point on his preference scale [maximization strategy] (p.7).

**The Logic of Collective Action**

This rational actor model is historically rooted in the work of Mancur Olson with his 1965 book, *The Logic of Collective Action: Public Goods and the Theory of Groups*. Olson (1965) asserted that, "…rational, self-interested individuals will not act to achieve their common or group interests" (p. 2). Olson set out to challenge the optimism around collective action at the time. Group theorists like Bentley (1949) and Truman (1958), implied that individuals with common interests would voluntarily act to further those interests (Ostrom, 1990). Interestingly, the same kind of optimism around collective action exists again today, though now embedded in the regional economic development literature. In this literature the divide between self-interest and collective interests is evident as governments and regional organizations strive to encourage collective action. Olson's central thesis was that rational, self-interested individuals will not act in large groups to further their common or shared interests unless they are induced to do so by coercion or by some separate and selective incentives (Olson, 1965).

**Free Riding**

Olson’s critique of group theory was based on the concept of free-riding. The free-rider problem rests on the idea of non-excludable public goods. Non-excludable public goods exist when providing the good to one member of the group results in access by all other members. Olson defined collective action as any action which provides a collective good and argued that if the benefits of a collective good are non-excludable, there will be the motivation of rational self-interested actors to take advantage of its benefits without contributing equally to the group’s
efforts (Olson, 1965). The impossibility of exclusion for public goods creates the free-rider problem and the undersupply of public goods due to collective inaction.

Hardin applied Olson’s logic to generate his model of the “tragedy of the commons”. A “tragedy of the commons” emerges when common natural resources are degraded as the result of rational beings choosing to maximize their own benefits. Hardin (1968) contends that rational shepherds will increase their herd sizes grazing in common pastures because each derives direct benefits from the increased feed, yet shares only a percentage of the costs associated with overgrazing and the depletion of pasture lands. This calculus leads to overgrazing as “each man is locked into a system that compels him to increase his herd without limit – in a world that is limited” (Hardin, 1968, p.79). Others before Hardin have observed the same concept. Aristotle wrote “what is common to the greatest number has the least care bestowed upon it. Everyone thinks chiefly of his own, hardly at all of the common interest” (Ostrom, 1990, p.2).

The model presented by Hardin in the Tragedy of the Commons has been formalized by the prisoner’s dilemma (Dawes, 1973). The paradox unveiled through the prisoner’s dilemma is that individual rational strategies lead to collectively irrational outcomes (Ostrom, 1990). The paradoxes unveiled through these “games” question understandings of rationality and suggest it is impossible for rational actors to cooperate (Campbell & Sowden, 1985). It is the scope of the consequences these games present that creates the deep attraction to this study (Campbell & Sowden, 1985).

**Role of Government or Governing Third Party**

The significance of Olson’s model was that collective action could be viewed as irrational and in need of explanation. Olson focussed on the idea that collective action must be accompanied by
private excludable incentives to reward participants or punish non-participants (Olson, 1965). Olson’s ideas of coercion and institutional incentives both stress the need for resources, organizational capacities, and government intervention in order to solve collective action problems (Olson, 1965). “Unless the number of individuals is quite small, or unless there is coercion or some other special device to make individuals act in their common interest, rational, self-interested individuals will not act to achieve their common or group interests” (Olson, 1965, p.2).

This model of the rational actor is relevant to the discussion of regional economic development, because RED is an example of a common good that requires contribution from a number of regional stakeholders. It suggests that different jurisdictions within a region might not contribute to economic development functions for the broader region if they feel the contributions of others will be sufficient. The choice to free ride may hinder regional development.

Hardin (1965) continued the discussion of the role for coercion and institutional incentives in a later essay (Hardin 1998) that addressed critiques of his 1965 essay, The Tragedy of the Commons. “The weightiest mistake in my synthesizing paper was the omission of the modifying adjective ‘unmanaged’” (Hardin 1998). Thus the title of his work would become The Tragedy of the Unmanaged Commons, implying a role for some sort of governing or “managing” body.

Hardin (1998) writes, “[t]he way to avoid disaster in our global world is through a frank policy of ‘mutual coercion, mutually agreed upon’” (p.59). He continues, “I might like to rob banks, but I am unwilling to allow other citizens to do so. So most of us, acting together, pass laws that infringe on the individual’s freedom to rob banks” (Hardin, 1998, p.59).
He continues, “[s]ince it is practically impossible to spell out all the conditions under which it is safe to burn trash in the back yard or to run an automobile without smog-control, by law we delegate the details to bureaus [and] the result is administrative law” (Hardin, 1968). The importance of Hardin’s work for regional economic development is its discussion of the appropriate role for an external governing body. Solutions to the tragedy of the commons align with Olson’s solutions to free-riding and include: government involvement through regulations, sanctions, conservation and the privatization of common land (Hardin, 1969; 1998). Hardin’s revisions to his original thesis discuss the Tragedy of the “unmanaged” commons and thus identify the importance of managing the commons to avoid tragedy. These concepts surrounding the rational actor imply that some form of government action is necessary to encourage or induce cooperation and collective action. Ostrom finds common ground with Olson and Hardin and builds on these ideas of government and management of common pool resources with her discussion of the necessary criteria for enabling collective action.

**Research Hypothesis**

Based on the current trends in regional economic development literature reviewed above, which emphasize the role of regional social capital and endogenous regional assets, it is hypothesized that successful instances of regional economic development would be based on interjurisdictional, collaborative relationships in the regional setting built on local stocks of social capital, understood as longstanding networks of association, local empowerment and shared norms of trust and reciprocity.
CHAPTER 3: CASE STUDY SELECTION AND METHODOLOGY

Criteria for case study selection were defined by the funding organization, OMAFRA, through the project proposal and by the research team from the University of Waterloo and the University of Guelph. The Okanagan Valley and Upstate California were both chosen because of their rural character, prevalence of agriculture, unique climatic conditions delivering unique agricultural boundaries and a regional identity. The nature of the research evolved during the planning stages: it was originally intended to focus specifically on value-added food and agriculture and its impact on economic development in the region and now focuses more generally at the regional organization level.

Key informant interviews were conducted for this project. Key informants are expert individuals with personal skills or first-hand experiences in a society or organization that allows them to provide a deeper insight into the issues under investigation. Key informants have been described as “natural observers” as they are interested in the behaviours of others and stay attuned to the development of the culture around them (Marshall, 1996). The main advantages of key informant interviews come from the quality of data and insights into a given community, society, organization or culture (UCLA Cente for Health Policy Research, 2012). Key informant interviews provide rich data in a relatively short period of time (Marshall, 1996).

Key informants were selected from the regional development organizations in each region. Key informants from other organizations operating in the region were also selected, though representatives from every county and every organization were not attained. Many of the major players were interviewed who were able to give insights into other members of the
organization and other stakeholders in the region. There were 11 key informants interviewed in the Okanagan Valley: 3 from Community Futures Organizations, 3 from regional district economic development organizations, 3 including private consultants, a farm business and a not-for-profit organization. There were 14 interviews conducted in Upstate California: 10 from economic development organizations and 4 including farm business consultants and university extension studies.

The majority of interviews were conducted in person while a small number of interviews took place over the phone. There were numerous referrals and “snowballing” took place in the selection of interviewees. This added depth to the research results. Many of the interviewees took an interest in the research and put in their own time to set up interviews with colleagues. I travelled first to the Okanagan Valley and spent 2 weeks visiting all of the regional districts and conducting interviews. From there I moved on to Upstate California where I spent 3 weeks travelling around a much larger region for interviews.

**Research Questions**

The interview guide (see Appendix A) asked questions regarding which strategies for collective action and economic development were working, which strategies were not working and how these organizations grew into their most current manifestation. The interview guide was comprised of 3 sections: 1) questions attempted to garner an understanding about the regional organization itself (primary mandate, sources of funding, history of inception), 2) questions about collaborations this organization is involved in (what other organizations are involved in collaborations, the nature of these relationships, and the types of successes or failures observed), and 3) questions about what other collaborations or partnerships exist in the region writ large
(key players for local regional economic development, the unique assets and capabilities in the region).

These questions were used as a guide for the interviews: the majority of interviews were quite informal and took on a conversational tone. This basic three section structure outlined in the interview guide was followed, though not all the questions were covered in each of the interviews. Less collaboration was discovered than anticipated in this research, and so many of the questions pertaining to local collaborations yielded thin results. In response, questions attempting to uncover the source of these barriers to collaboration were created as the interviews progressed. Interviews were recorded and later transcribed. Notes were taken during the interview, mostly pertaining to referrals and taking note of important points mentioned in conversation. Interviews were followed up later via telephone to check for new developments or outcomes.

**Upstate California**

**Table 1 - Geography and Population Data for Upstate California**

<table>
<thead>
<tr>
<th></th>
<th>Upstate California</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>1,747,626</td>
</tr>
<tr>
<td>Area (km²)</td>
<td>121,000</td>
</tr>
<tr>
<td>Population Density</td>
<td>14 people per km²</td>
</tr>
</tbody>
</table>

(US Census Bureau, 2012)

The region called ‘Upstate California’ is northern California excluding the more metropolitan areas of Sacramento and San Francisco. Demographically this is a region characterized by a stronger rural presence with relatively low population density of 14 people per
square km. This area comprises 20 percent of California’s land mass but represents only 2 percent of the population.

**Organizational History & Composition of Regional Economic Development**

**Layers**

Upstate California consists of the northernmost 20 counties in California, the majority of which are rural. The counties of Upstate California are listed in the table below:

**Table 2 – Counties of Upstate California**

<table>
<thead>
<tr>
<th>Counties of Upstate California</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Butte</td>
<td>Nevada</td>
</tr>
<tr>
<td>Colusa</td>
<td>Placer</td>
</tr>
<tr>
<td>Del Norte</td>
<td>Plumas</td>
</tr>
<tr>
<td>El Dorado</td>
<td>Shasta</td>
</tr>
<tr>
<td>Glenn</td>
<td>Sierra</td>
</tr>
<tr>
<td>Humboldt</td>
<td>Siskiyou</td>
</tr>
<tr>
<td>Lake</td>
<td>Sutter</td>
</tr>
<tr>
<td>Lassen</td>
<td>Tehama</td>
</tr>
<tr>
<td>Mendocino</td>
<td>Trinity</td>
</tr>
<tr>
<td>Modoc</td>
<td>Yuba</td>
</tr>
</tbody>
</table>

(Upstate California Economic Development Commission, 2013)

Economic development planning takes place at the county level but there are multiple development regions within the area known as Upstate California that combine these counties in different ways. Three of these regional layers are particularly important.

**Economic Strategy Panel Regions**

The first regional layer is defined by the State of California’s Labour and Workforce Development Agency which, in 2006, put together a list of nine economic regions within the state in order to inform a statewide strategy for economic growth. Because economic activity is
often determined more by location specific factors the economic regions were not limited by individual jurisdictional boundaries. Rather, they were delineated using aggregations of counties. The regions defined contained interrelated economic activities and possessed logical jurisdictional boundaries for working with local economic development organizations (California Economic Strategy Panel, 2006).

Upstate California is represented in three of the nine economic regions: Northern California, Northern Sacramento Valley, and 3 counties found in Greater Sacramento. The 11 counties in Northern California are found along the north coast, Oregon border, and northeastern Sierra Nevada and are heavily dependent on natural resources, sparsely populated and underdeveloped. The 6 counties in the Northern Sacramento Valley are primarily agriculture-based, with forestry and farm-related manufacturing centered in Shasta County. The economic base in this region is increasingly influenced by the Sacramento area. Though counties in the Upstate such as Sutter and Yuba are currently more closely aligned with the Northern Sacramento Valley agricultural areas, there is increasingly growth influenced by the metropolitan areas to the South (California Economic Strategy Panel, 2006).

**Economic Development Districts**

A second regional economic development layer exists through the US Department of Commerce and its sub agency the Economic Development Administration. These agencies have amalgamated counties into what are called economic development districts. There are 380 of these districts across the United States, 5 in California and 4 in Upstate California. Economic Development Districts are non-profit organizations that receive funding from the federal
government and from local sources that include the counties and cities within their jurisdiction (US EDA, 2013).

When a group of counties apply to become an economic development district they must demonstrate: a common economic structure affecting the region as defined, some commonalities in terms of economic activity and some common distress factors particular to the region. The designation of economic districts in the United States has a number of formal criteria attached. According to the United States code of federal laws, economic districts can be appointed if the proposed district is of a sufficient geographic or demographic size with sufficient resources to foster economic development across a broader region; the proposed district has at least one area characterized by either low per capita income, unemployment rate above national average, or unemployment or economic adjustment problems; and the proposed district has an established economic development strategy that supports interjurisdictional collaboration and community empowerment (United States Code, 2013). The list of economic development districts in Upstate California includes:

- 3 Core – Glenn, Tehama and Butte counties
- Yuba-Sutter EDC
- Superior California Economic Development - Modoc, Shasta, Trinity and Siskiyou Counties
- Sierra Economic Development District, El Dorado, Placer, Nevada and Sierra Counties (US EDA, 2013)
Upstate California Economic Development Council

A third layer of regional economic development is represented by the Upstate California Economic Development Council. Established in 1989, the Upstate CA EDC is a non-profit organization comprised of California’s Economic Development organizations from the northernmost 20 counties. This group has worked to develop a regional brand identity for Upstate California and works towards exposing a global audience to its businesses and to strengthening the region’s overall economic performance (Upstate California Economic Development Council, 2013).

There are many county level economic development organizations in Upstate California, including:

Table 3 – Economic Development Organizations in Upstate California

<table>
<thead>
<tr>
<th>Economic Development Organizations in Upstate California</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Development of Shasta County</td>
</tr>
<tr>
<td>Mendocino County Economic Development</td>
</tr>
<tr>
<td>Yuba Sutter Enterprise Zone</td>
</tr>
<tr>
<td>Fortuna Business Improvement District</td>
</tr>
<tr>
<td>Oroville Economic Development</td>
</tr>
<tr>
<td>Redding Economic Development</td>
</tr>
<tr>
<td>Plumas County Economic Development</td>
</tr>
<tr>
<td>Arcata Economic Development Corp</td>
</tr>
<tr>
<td>Chico Economic Development</td>
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<tr>
<td>Nevada County Economic Development</td>
</tr>
<tr>
<td>Yuba County Economic Development</td>
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<tr>
<td>Humboldt County Economic Development</td>
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<tr>
<td>Lake County Economic Development</td>
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<tr>
<td>Lassen County Economic Development</td>
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<tr>
<td>Sutter County Economic Development</td>
</tr>
<tr>
<td>Siskiyou County Economic Development</td>
</tr>
</tbody>
</table>

The Upstate California Economic Development Commission is supported by the pooled resources of 13 of these Northern California community-based economic development organizations as well as the California Trade and Commerce Agency and the Pacific Gas and Electric Company. Not all 20 county economic development offices are board members or participate through membership. The board of directors is composed of professional economic development specialists from throughout the region with one hired staff member. The Upstate California Economic Development Council is the longest standing economic development and marketing agency in California, created in 1989 as a regional economic development agency (Upstate California Economic Development Council, 2013).

Center for Economic Development at California State University, Chico

The Center for Economic Development at California State University, Chico, is an active member of the Upstate California EDC and works with communities on a contract basis, providing research services and facilitating the transfer of knowledge between the University, economic development practitioners and community leaders.

The Center for Economic Development (CED) at CSU, Chico is committed to helping communities prepare and plan for future growth. Helping communities and businesses in planning, community development, employment generation, natural resource management, workforce development, alternative energy advancement, and leadership training is the CED’s goal (CED Cal, 2013).

Okanagan Valley

Table 4 – Geography and Population Data for the Okanagan Valley
<table>
<thead>
<tr>
<th>Population</th>
<th>350,927</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area (km²)</td>
<td>20,829</td>
</tr>
<tr>
<td>Population Density</td>
<td>17 people per km²</td>
</tr>
</tbody>
</table>

(BC Stats, 2009)

The Okanagan Valley is made up of three regional districts created by the provincial government: North Okanagan, Central Okanagan and South Okanagan. The North Okanagan is primarily known for dairy products, fruits and vegetables. The grasslands originally brought ranchers to the valley and ranching still thrives today. Recreational activities are easily accessible with many lakes, a nearby ski resort and the mountains to the east (Invest Okanagan, 2012). Due to climatic and soil conditions, the Central Okanagan marks the beginning of wine country, stretching south to the US border. Over 90 percent of BC’s tree fruit acreage and 95 percent of its grapes are grown in the Okanagan Valley (Hira & Bwenge, 2011). The Central Okanagan is the most urbanized regional district with the city of Kelowna at a population of roughly 179,830 (Regional District of Central Okanagan, 2012). The Central Okanagan is the fastest growing region in BC. The population is expected to grow to 225,000 by the year 2025. It has a number of services including an international airport outside Kelowna, making it the economic hub for the region (Regional District of Central Okanagan, 2012). The South Okanagan maintains thriving First Nations communities and is dominated by vineyards and orchards in this rural, agricultural region. It has the driest climate and the only true desert in the country (Invest Okanagan, 2012).
Organizational History & Composition of Regional Economic Development

Layers

The key organizations in the region include the regional districts (north, central and south), Community Futures Corporations in each regional district, individual municipalities’ economic development offices, local and regional tourism offices, the Okanagan Valley Economic Development Society (OVEDS), the Southern Interior Development Initiative Trust, Okanagan Nation Alliance Economic Development, the former Okanagan Partnership, and Accelerate Okanagan. These organizations work together on various projects and come together intermittently based on the assessed needs of specific projects.

Regional Districts

Each of the Okanagan’s regional districts is comprised of a combination of member municipalities and unincorporated rural areas referred to as electoral areas. Within each regional district there are several cities, towns and villages.

Table 5 – Okanagan Valley Jurisdictions

<table>
<thead>
<tr>
<th>Regional District</th>
<th>Major City</th>
<th>Cities/Towns/Villages</th>
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The history of regional districts dates back to the mid 1960s when the province was faced with rapid expansion due primarily to resource extraction (BC Ministry of Community Services, 2006). Many rural areas did not have a general purpose local government, causing great problems with the provision of essential services like water, fire protection, an overall lack of political accountability, and a lack of local planning in rural areas (BC Ministry of Community Services, 2006).

Each of the individual cities, towns, or villages that comprise the regional district are intended to work together to accomplish the regional district’s broader purposes. Regional districts are defined as “an elected agency with the prime purpose of taking joint action in providing services that are of mutual benefit to the areas which it serves, services which can best be handled on a co-operative basis and also to provide services to the unincorporated areas” (Harrison, 2006).

Administrative Structure

While regional districts vary across the province in terms of the services they provide, their overall corporate structure remains consistent across the province. A Board of Directors is the governing body for each regional district, responsible for identifying what services will be provided and what actions will be taken by the corporation. The regional district’s member jurisdictions appoint Directors through their municipal council while electoral area directors are
elected directly to the board by the areas they represent. The Board is led by a Chair and Vice-Chair who are appointed each year by the board (BC Ministry of Community Services, 2005). There are committees that play an advisory role to the board of directors (see Figure 1.0) and provide recommendations to the Board on matters that fall within the committee’s mandate. Examples of committees range from airport advisory committees to human resources committees. Commissions are created to oversee the provision of services and usually have delegated authority to make decisions on behalf of the board. Examples of commissions include Economic Development Commissions, Agricultural Advisory Commission, and Environmental Advisory Commissions. The relationship between the Board and the Chief Administrative Officer (CAO) represents the separation of government and administration. The CAO is responsible for implementing the policies and administers all operations. Department heads report directly to the CAO and are responsible for specialized areas like financial development services.

**Figure 2 – Structure of Regional Districts in British Columbia**

![Structure of Regional Districts in British Columbia](image)

(BC Ministry of Community Services, 2005)
Functions: Service Provision and Governance

Regional Districts have three basic roles. The first is the provision of regional governance and services for the region as a whole. This includes establishing a forum for political representation of the region’s residents and working towards advancing the interests of the region (BC Ministry of Community Services, 2006). With regards to regional service provision, the customers of the regional district are the member municipalities, and the customers of the municipalities are the general public. Second, regional districts provide a political and administrative framework to facilitate inter-municipal partnerships for service delivery. Any combination of municipalities can agree as a group to provide a service and jointly recover the costs. An example would be a large scale recreation area that benefits four municipalities and an electoral area. The third function of regional districts is their role as a local government where none previously existed in the unincorporated rural areas (BC Ministry of Community Services, 2006).

Regional Districts provide a combination of voluntary and provincially mandated services. Provincial law requires regional districts to provide government administration, solid waste management and electoral area planning. The list of potential voluntary services is much longer and includes: water/sewer utilities, recreation programs and facilities, community parks, libraries, emergency planning, fire protection, and economic development. Voluntary services may be provided locally to individual jurisdictions, to groups of municipalities choosing to receive services and regionally to every municipality and electoral district in the regional district (BC Ministry of Community Services, 2005).

In order to determine which services will be provided by a regional district a common process is followed in order to determine the feasibility and to assess the board’s support through a vote. In this process an initial idea for service provision is raised, studies are completed to
assess feasibility, a service establishing bylaw is passed, a vote amongst the Board members determines adoption and finally the provincial inspector of municipalities approves or disapproves of this decision. In this process, the studies run through a checklist to assess whether or not:

- the proposed service has a clear purpose;
- the proposed service has a defined and agreed-upon scope;
- the parties agree on a way to share costs;
- the parties agree on how the service should be governed;
- the parties agree on a process for service review;
- a start-up plan has been developed; and,
- support among elected officials is broad

(BC Ministry of Community Services, 2005)

**The Southern Interior Development Initiative Trust**

The Southern Interior Development Initiative Trust (SIDIT) has been created by the provincial government and covers an area larger than the Okanagan Valley. The Southern Interior is divided into the Columbia-Kootenay and Thompson-Okanagan Development Regions. The Okanagan Valley is contained within the Thompson-Okanagan Development Region. The region of the SIDIT encompasses 94,308 km, comprises ten Regional Districts, and accounts for roughly twelve per cent of the provincial population (Institute of Chartered Accountants of British Columbia, 2013). The ten regional districts covered by the SIDIT include: Regional District of Columbia Shuswap, North Okanagan, Central Okanagan, Okanagan-Similkameen (South Okanagan), Fraser Valley, Columbia-Shuswap Regional District, Thompson-Nicola, East
Kootenay, Central Kootenay, and Kootenay-Boundary. There is a 13 member Board of Directors that is responsible for the governance of the trust. There are four Directors in each of the two Regional Advisory Committees (RACs) representing the Columbia-Kootenay and Thompson-Okanagan regions. The remaining five directors, coming from the Trust area, are appointed by the provincial government. RAC membership is comprised of local government elected officials and members of the Legislative Assembly from the region (Southerin Interior Development Trust, 2007).

The Economic Development Division of British Columbia’s Ministry of Jobs, Tourism and Skills Training, oversees the trust. The SIDIT was established in 2006 by the provincial government with an initial investment of $50 million. The objective of the SIDIT is to “support regionally strategic investments in economic development projects that will have long-lasting and measurable regional benefits for the Southern Interior” (Southerin Interior Development Trust, 2007). The SIDIT has targeted 10 key sectors: agriculture, economic development, energy, forestry, mining, Olympic opportunities, pine beetle recovery, small business, tourism and transportation. The SIDIT planned to commit up to $30 million by 2012 at an annual rate of $7.5 million (Southerin Interior Development Trust, 2007).

The Trust has the full powers and capacity of an individual and is not an agent of the government. The Southern Interior Development Initiative Trust gave the region under their jurisdiction access to 50 million dollars, most of which is lent out to small business, high risk lending, while some of it goes to projects (Southerin Interior Development Trust, 2007).

Part of the concept behind these trusts is that provincial money is allocated locally through locally-made decisions. While the trust attempts to represent the entire Southern Interior region previously described, the extent to which there is cooperation and a common goal shared
by all is questionable. When asked whether there now exists more collective action in the region, one key informant replied “Sort of. There is always that competition amongst municipalities and amongst regions” (KII: OV4).

Some of the projects funded include (1) $30,000 to Organic Farming Institute of British Columbia (OFIBC) in Keremeos to develop and implement an educational program for organic field crop production through online learning and hands on field work for prospective farmers (2) $150,000 grant to Enterprising Non-Profits to build capacity and strengthen the sustainability of local non-profit organizations better enabling them to develop healthy communities (3) $50,000 grant for Thompson Okanagan Tourism Association for the implementation of the 10 year Regional Tourism Strategy and to build and strengthen partnerships with communities and businesses throughout the region (Southern Interior Development Trust, 2007).

**Community Futures Development Corporations**

Community Futures Development Corporations are federally funded organizations whose primary focus is business development and training, community economic development, and small business financing (KII: OV4; OV2; Community Futures, 2012). There are 269 Community Futures organizations federally, across all ten provinces and three territories (Community Futures, 2012). Each of the offices is led by a local board of directors that oversee a team of professional staff (Community Futures, 2012). Nationally, since inception, Community Futures has assisted 110,000 entrepreneurs, assisted in the creation of over 465,000 jobs and invested over $3.77 billion into the rural Canadian economy. Within the Okanagan Valley, there is a Community Futures office in each of the three regional districts (North Okanagan, Central Okanagan and Okanagan-Similkameen), and these organizations work in conjunction with the
regional district staff and local municipalities’ economic development officers (Community Futures, 2012).

The Okanagan Valley Economic Development Society: OVEDS

The Okanagan Valley Economic Development Society is pioneering the idea of regional valley-wide approaches to investment attraction, where collaboration amongst all three regional districts is necessary for creating strength in the market. This is a project being run informally by a few “champions” who believe in the strategy of branding the region as a whole and working together to secure local investments and relocations from large companies.

Inter-organizational Relationships

Within the Okanagan Valley there is little focus on regional economic development through one formal organization. Central Okanagan Regional District has retained economic development as a function that crosses the three regional districts. This larger regional perspective does not exist in the North and the South Regional Districts. The South Okanagan Regional District, Okanagan-Similkameen, has independent economic development offices located in Okanagan Falls, Osoyoos, Penticton, Summerland and the South Okanagan Chamber of Commerce. The North Okanagan has economic development offices in each of the regional district municipalities. The City of Armstrong, City of Enderby, Village of Lumby, Township of Spallumcheen, and the District of Coldstream all use the Regional District’s Contract Planning Services for reviews and advice though they maintain independent decision making (Invest in the North Okanagan, 2012). The Central Okanagan Economic Development Commission (COEDC) is an agency of the Regional District of Central Okanagan (RDCO). The Commission is funded
by and accountable to the elected board of the RDCO (Central Okanagan Economic Development Commission, 2013) and works across the regional district on economic development priorities that affect the region as a whole.

**Economic Development in the Okanagan Valley**

Economic development over time in this region can be closely tied to the development of a wine industry, the tourism that accompanies wineries, agricultural innovations and the development of spinoff industries, and local lifestyle amenities like lakes, climate and aesthetics. Various levels of government have been involved throughout the economic development of the region. The federal government’s funding of community futures organizations and the municipal economic development offices continues to offer important support for new and existing businesses and helps grow the region.

The grape and wine industry in the Okanagan can be traced back as early as 1859, but major economic progress wasn’t made until the 1960s. Early grape growers grew low quality grapes and made wine that was often higher in alcohol content and fortified for drinkability. In the 1930s two brothers with degrees in viticulture and oenology established a vineyard where they experimented with growing higher quality vinifera varieties. They called their experiment: *Growing European Grape Varieties in a Climate Where the Winters are Long and Cold.* As wineries continued to grow, a large portion of the grapes used in production were imported from California. The early attempts to grow the grape industry focused on regulatory reform, pushing for greater local grape content. The British Columbia Liquor Board raising the quota from 25 percent to 65 percent by 1965 and by 1967 the average content had grown to roughly 80 percent. Grape acreage in the Okanagan increased by 400 percent and greater vertical integration was achieved between wineries and local suppliers. By the mid 1970s consumer preferences were
shifting and there was increased demand for higher quality wines with less alcohol content. In 1974, the federal government purchased 4000 viniferous vines to conduct an experiment to test the adaptability of viniferous varieties. This would be the largest driver of long term change in the industry (Hira & Bwenge, 2011).

The prevalence of agriculture in the Okanagan has led to various spinoff industries as well, as entrepreneurs and farmers have developed new innovations and practices in their agricultural operations. Irrigation, for example has always been extremely important to the Okanagan Valley farmers, who have some of the driest conditions in the country. Historically it was gravity fed irrigation systems as the technology did not exist to pump water up onto the farm lands, though gravity fed systems do still exist today. A major problem however is the total amount of water used, and so there are continuously efforts to build greater efficiency into the system. The Okanagan Basin Water Board for example has a Water Conservation and Quality Improvement (WCQI) Grant Program that provides $300,000 annually for projects that conserve water or improve its quality. This funding is directed to non-profit community groups, local governments and irrigation or improvement districts and has led to multiple innovations in technology and process (Okanagan Basin Water Board, 2013).

Conclusion

Both Upstate California and the Okanagan Valley regions have multiple layers and forms of government, organizations, and community involvements seeking economic development ends and each region is faced with a unique socio-economic position. Sorting through the complexity that emerges from these multiple layers of governance and the unique situations is best done through stories of actual economic development initiatives. The different strategies being employed, the extent to which jurisdictions are collaborating, and the nature of the
relationship across the various layers of governance all emerge through these stories. This will be the focus of Chapter 4.
CHAPTER 4: FACILITATING LOCAL COLLABORATIVE DEVELOPMENT

PROJECTS

The literature on New Regionalism suggests that collective action and more specifically, collaboration, will lead to successful economic development however the experiences of specific regions need to be explored to determine whether there is evidence of such a link. Booher & Innes (2006) discuss “pseudo-collaboration” appearing in the literature as practitioners and academics alike talk about various forms of collective action as though they are collaboration. Himmelman (1996) provides a useful framework to distinguish between these concepts. For Himmelman collaboration is defined as exchanging information, altering activities, sharing resources, and enhancing the capacity of another for mutual benefit and to achieve a common purpose (Himmelman, 1996). Networking, coordinating and cooperating are less engaged forms of collective action that do not constitute collaboration. Using this framework it is possible to assess the degree to which regional relationships are resulting in collaboration. This section describes the levels of collective action for regional development that were evident in each of the case study regions, placing them on this scale of collective action created by Himmelman.

Regional Organizations

One element of economic development common to both regions is the formation of a single entity taking responsibility for regional economic development. In each region, the extent to which a single entity creates successful development and regional collaborations varies.
The Upstate California Economic Development Council is a non-profit organization supported by the pooled resources of thirteen of Northern California’s community-based economic development organizations as well as the California Trade and Commerce Agency and the Pacific Gas and Electric Company. It is a voluntary membership-based committee that discusses potential collaborations on regional projects or investment opportunities, shares potential economic development opportunities, and maintains personal networks and relationships.

Decision making happens democratically and there is one staff member assigned to administer these decisions. The group communicates informally with each other throughout the year and comes together at formal meetings once a month (KII: UC2). The majority of interaction amongst the group that happens from month to month rests at the level of information sharing or “networking”; however there are different specific projects that involve more complex interactions and greater commitment between members. The organizational history of the Upstate California Economic Development Council suggests that it is an organization that has been building bridging social capital.

The Upstate California Economic Development Council was created in 1989 as a regional economic development agency, representing the northernmost counties in the state (Upstate California Economic Development Council, 2013). Once called NorCal IDEA, the organization was rebranded Upstate California Economic Development Council in 2001 to create better recognition as a region, drawing on the success of the highly recognizable “Upstate New York” moniker. The Upstate California Economic Development Council is now the longest standing economic development and marketing agency in California. This group has worked to develop a regional brand identity for Upstate California, seeking a global audience for the local
businesses across the region and strengthening the region’s overall economic activity (KII: UC1; UC3, Upstate California Economic Development Council, 2013).

Robert Berry, a development specialist in the area said, with regards to the name change, "we've had an identity problem. We're commonly confused with other parts of the state that label themselves as Northern California. We need a distinction for businesses looking to invest and create jobs" (Levy, 2001).

The common identity now shared amongst the upper 20 counties of the State of California is based on a common isolation from the rest of the state. This primarily rural region – with 20 percent of the total land mass of California and only 2 percent of the population – is isolated geographically and economically. The region does not have enough money for large marketing budgets and the workforce to sustain large new companies.

Working relationships amongst the members of the EDC have been established over many years of interactions in a professional capacity and through closer social interactions. A shared understanding of the need for regional cooperation and a strong mutual trust have emerged from professional relationship building and were identified by interviewees as crucial to this organization’s successes (Levy, 2001).

In Putnam’s (1993) analysis of civic involvement in Italy, he found that social capital has deep roots traced back nearly a millennium. While the Upstate California Economic Development Council does not go back millennia, it is the longest standing economic development organization in California, and the members do have professional working relationships dating back in some cases to the Council’s inception in 1989 (KII: UC3; UC2; UC8; UC12). One member of the Council said “he and I have worked together for 20 plus years and so we’ve gone through the wars together” (KII: UC3).
Where barriers have existed, they have been dealt with over time. Maintaining the agency’s perception of successful interactions has been enabled by a flexible meeting schedule that accommodates the spread out group. Administration will cancel meetings if they believe there is nothing new to discuss which helps to alleviate organizational fatigue and avoids resentment towards membership in the group. Some group members who have been divisive and obstacles to positive progress in monthly meetings and various group projects have actually been excluded from the group, creating an environment conducive to the development of things like trust and values like reciprocity (KII: UC5; UC2; UC3).

What Has Been Built Over Time: Trust, Reciprocity

Trust, in the case of the Upstate CA EDC, has been described as enabling ongoing economic development projects and even the sharing of certain responsibilities amongst members across the region:

It’s hard to explain other than the fact that over the years we’ve come to this place where we all agree on certain things that are important. We have a common sense of mission and purpose and we trust each other enough to say ok, we know that all of us will come together here for the common good…(KII: UC3)

Teamwork amongst economic districts and counties is driven through a longstanding history and understanding of each others’ strengths. On certain programs, one district will defer to another because it is their area of expertise – and this deferential approach is reciprocal. The economic development district Yuba-Sutter, for example, is well known for their expertise in marketing and business retention, so when there are strategies worth adopting, other districts choose not to duplicate unnecessary work. Cost sharing on different investments is another positive element of this collaborative relationship.
Each of us has different strengths in certain programs, so we defer. We let other districts do work in our area because they know that stuff inside and out. By the same token there are things we do where we have particular strengths and they defer to us (KII: UC2).

The organization began as a regional investment attraction organization, but the mandate has grown and evolved over time as internal relationships have matured and new challenges have risen. Today it is involved in project based development, and working more directly to connect different businesses.

Part of what we’re going to do is looking at strategic partners in the next year or so – to align ourselves with other institutions that are thinking strategically and will commit to a sustained relationship so that we may work together as a team. If we work individually we’re never going to get the kind of mass that we need to have as a region (KII: UC3).

The collective strength built by this common brand and the partnerships amongst economic development officers has been established through the Upstate CA EDC. This larger regional organization has proven effective in accessing more funding opportunities, attracting new businesses, sharing complimentary resources, and the establishment of common strategic initiatives (KII: UC12, Upstate California Economic Development Council, 2013). One common strategic direction currently being employed is a focus on developing and mobilizing the local agricultural assets that provide Upstate California with a competitive advantage over other regions (KII: UC12). The Economic Development Council has thus decided that agriculture should be a primary focus in their new strategic direction.

**Trade Mission to China**

One example of a successful regional collaborative initiative coming out of the Upstate California Economic Development Council is the trade mission to China. Members of the Economic Development Council including economic development officers, agricultural
specialists and regional stakeholders all travelled to China with the hopes of establishing new business connections for the Upstate Region. This group was created with the intent of creating trade links with China and is an example of exchanging information, altering activities, sharing resources, and enhancing the capacity of another for mutual benefit and to achieve a common purpose (Himmelman, 1992).

The most successful opportunity coming from the trade mission to China was the establishment of a direct purchasing agreement between a Chinese food distributor and olive oil producers in the Upstate. In China there is currently little trust in food products produced in China because of a lack of enforcement of food safety standards and regulations pertaining to food processing. The Chinese market is thus eager to purchase American food products due to the assured quality that comes with stronger health and safety standards for food processing (KII: UC3).

The Upstate California EDC organized the trade mission with a focus on agriculture – one local amenity that provides a competitive advantage for the region. While Upstate California does have a well established industry in food production and processing, it is also situated in an ideal location geographically to ship products to China. Upstate California also has a large port located in Humboldt Bay that makes trade between the Upstate and China a promising opportunity. The Humboldt Bay Harbor District recently completed a harbour deepening project that opens up international shipping opportunities (Humboldt Bay Harbour District, 2013). This combination of regional assets – the shipping port and the prominence of agriculture – creates the potential for valuable trade relationships for the economic development of the Upstate.
The Upstate California Economic Development Council is connecting Chinese purchasers with local producers and processors and facilitating the necessary changes to meet the specific demands of the Chinese buyers. Olive Oil is a sought after product by the Chinese. However, they have certain preferences with regards to the packaging and the quality of the olive oil. Because Chinese consumers do not yet have a refined palate for premium olive oil, the Chinese distributors are seeking a lower quality of oil. They are also seeking utilitarian rather than stylish packaging for the oil – larger plastic bottles as opposed to the small glass bottles currently being used for sales in North America.

Armed with this potential contract and these conditions, members of the Upstate California Economic Development Commission returned to the US and began contacting olive oil producers in Upstate California. Multiple producers from across the Upstate region were needed in order to secure sufficient volume of supply for the order. Because members of the Upstate California Economic Development Commission have strong working relationships, open lines of communication and a mutual trust, they were able to openly share this opportunity with the broader region and reach out to enough producers to meet this demand. If there had not been a regional entity that could cooperate across jurisdictional boundaries, meeting the supply for this demand would have been much more challenging.

The individual olive oil producers initially resisted participation in this contract, fearing the dilution of their existing brands and reputations as producers of award winning high quality oils. This initially seemed to be a barrier to consolidating enough supply to meet the demands of this proposed contract. However, because of the existing regional brand power of Upstate California, members of the trade delegation proposed the creation of a regional brand for this lower quality olive oil, separate from the producers’ individual brands. When this idea was
communicated with local producers they were no longer resistant. Producers could ship their oil under a different name and package so as to not detract from anyone’s brand image.

Initially, because the Upstate California Economic Development Council had the strength of a larger region they were able to travel to China with more to offer. The regional approach lent credibility to the organization and also brought the power to meet some of the various demands of Chinese buyers. Without the collaboration of multiple EDOs from across the region and their strong working relationships, the trade delegation would not have happened and the olive oil opportunity likely would never have been realized. In this instance, collaboration happened among the economic development officers rather than among individual entrepreneurs. It was the role of the economic development organization to assemble and coordinate the group of individual businesses.

**Facilitating Collective Action: Olive Oil Producers**

The olive oil contract raises an interesting discussion about the nature of the relationship between a regional organization and the local businesses within that region. At the economic development level in Upstate California a regional identity has been created, though this group of small businesses in the olive oil industry did not feel the same sense of solidarity with one another in the region. The nature of communication and interaction among business owners is much different than among economic development officers across the region. The individual businesses interviewed and discussed are independent, focussed first on their own businesses’ success, without recognizing or valuing broader regional success.

In this example, local businesses did not have a broader vision or belief in the regional approach because they were strictly focussed on their own individual businesses. Collective
action was initially facilitated by the Upstate California EDC which did have a broader vision for the region.

Although collective action was happening at the institutional/organizational level over a long period of time, when it came time for these organizations to interface directly with local business owners and entrepreneurs, the relationship changed. The businesses were fiercely competitive, fearing that collaboration would diminish their brand image, unsure about how the final product would be delivered. In this instance, the Upstate California EDC acted as a lubricant for collective action, facilitating agreeable terms on the basis of which local businesses could work together and deliver this product.

While this initially looked like a promising story of collaboration, upon my follow up a year later, relationships between the olive oil producers the EDC and the Chinese importers had changed. It had been anticipated by the Upstate California EDC, following their discussion with Chinese buyers, that the Chinese market demand would not favour extra virgin, high end olive oil. This would necessitate a lower grade of olive oil and collective branding amongst the local producers in Upstate California. However, as the relationship matured and product was delivered and tested, Chinese trade delegates indicated an appreciation for the higher quality oils and the collective branding was no longer necessary. The olive oil producers from the Upstate currently have independent relationships with the Chinese distributors and use their own branding on the products. While there was still some success in this story, EDOs interviewed expressed regret that the regional brand had not been developed because it is something that would have benefitted the broader region, to have a flagship product of high quality that gave Upstate California brand recognition in a major purchasing centre like China. The Upstate California Economic Development Council hoped this regional brand presence in Chinese markets would
open the door for other food processors and growers in Upstate California. This regional brand was abandoned in favour of individual contracts with the Chinese when the Chinese buyers indicated a preference for the higher quality product. The Upstate California Economic Development Council recognized the importance of a collective brand due to their broader regional vision, while local producers were partial to their individual gains.

**Regional Investment Attraction: Belcampo Meat Co.**

A strong example of overcoming competition for the achievement of a greater regional good comes from the Northern Counties in Upstate California and the retention of Belcampo Meat Co. in the local economy. While it is a strong story of collective action, this fits more appropriately at the level of cooperation, where information has been exchanged, activities altered, and resources have been shared to achieve a common purpose.

Belcampo owns and manages farms in California, Belize and Uruguay that produce “sustainable high-end foods” (Belcampo Meat Company, 2011). Belcampo adds value to their products by providing an assurance of integrity, by clarifying the path food takes “from farm to table” (Belcampo Meat Company, 2011) and by providing greater education for consumers around sustainable farming practices (KII: UC5).

The retention of Belcampo facilities in the City of Weed is an example of interjurisdictional collaboration. Belcampo purchased grazing and farm land in Gazelle, CA and were going to put their slaughter facility somewhere in Siskiyou County. They initially contacted the city of Weed and couldn’t find land that met their requirements. They contacted the City of Yreka, CA but “didn’t get a warm fuzzy feeling from the staff” (KII: UC5). They received some pull to go back to the City of Weed, CA but still could not find anything of interest. There was a
back and forth between different localities within Siskiyou County. The EDC remained engaged in this conversation and discovered that Belcampo was eventually looking into relocating to Klamath Falls, Oregon. Belcampo had given up hope of finding adequate facilities in Siskiyou County and to them Klamath Falls, OR would be the next best thing. The City of Weed, the City of Yreka, the EDC and the County of Siskiyou rallied together and all agreed it was better to have them somewhere in Siskiyou County than to lose them to Oregon. They needed to brainstorm and understand what the City of Weed, the City of Yreka, Siskiyou County and EDC could do to ensure that Belcampo located their operations in Siskiyou County. As a result of everyone’s efforts, this group of economic development officers and local politicians were able to put together a clear pitch that better sold Siskiyou County (KII: UC5).

In retrospect, it was the support of the City of Weed that swung Belcampo’s decision. Because it had previously been cumbersome to work in California this company was ready to leave. However the show of solidarity that swung the deal in the end occurred when the city of Weed spoke to Belcampo and conveyed they really wanted Belcampo in the region, and that they would support the decision to locate their facilities locally. If it were not in the City of Weed, they supported the move to the City of Yreka.

Weed was instrumental in getting them to locate in Yreka. The belief amongst people in Weed – which is a more widely held belief nowadays – is that if it is in Siskiyou County, doesn’t matter where, it will help us all economically through the construction of infrastructure, employment at the facilities, and travel and accommodations for employees (KII: UC5).

“You see this concept here locally but you also see it at work in Upstate where people are working together to get businesses in Upstate, and beyond that, get it in California, and beyond that get it in the United States” (KII: UC5; UC2). This exemplifies the acknowledgement within the Upstate CA EDC of various regional layers that occur at all times. At a local, regional,
national level, there are people working towards attracting businesses that benefit a broader geographic region than the one in which they are located.

While this collective action across multiple jurisdictional boundaries did not happen among all the counties, the Upstate CA EDC had created the social capital necessary to bring the municipalities in Siskiyou County together. There was a belief in the regional approach to economic development among the existing members of the EDC who were able to facilitate the participation of local politicians and municipal employees in the other jurisdictions. Faced with a looming crisis, the loss of a major industry to neighbouring Oregon, collective action was taken to react and successfully retain Belcampo. While this is a story of positive collective action, it also demonstrates the competitiveness that exists across jurisdictional boundaries that can get in the way, and the necessity for an external party to come in and mediate this situation and push people in the direction of working collectively towards a greater regional good.

**Agricultural Speed Dating**

In 2011 Butte County developed a model for connecting local agricultural producers and buyers in the county that is now shared across the Upstate region. This concept of facilitated agricultural networking, was inspired by the 2010 USDA report *Jobs, Economic Development and Sustainable Communities – Strategizing Policy Needs and Program Delivery for Rural California*. This document promotes governments and policy makers to financially encourage regional collaboration where multiple communities are involved, to avoid duplication of projects/programs. It also stresses key aspects that support rural small business, innovation, as well as ensuring the viability of agriculture and its support industries. Building on the
information contained in this document, Butte County took action with an agricultural speed dating model, now being used across the Upstate California region.

In February, 2013 this model was employed in the city of Redding California, with great success. Various agricultural products were bought and sold through this event, including chickens, organic eggs, toffee, coffee, handmade pasta, fruit, fresh cheeses and olive oil. Success at this event was measured by nearly 40 producers and buyers in attendance, with 35 deals born and 132 business connections made. Participants came from as far north as Siskiyou County and as far south as Orland in Glenn County (KII: UC2). Siskiyou County supported this event by referring five producers and one buyer saying they were excited about the opportunities this presented for local growers and producers (KII: UC5).

Producers had five minutes to make their pitch to buyers sitting at tables. When the cowbell rang, producers had to move on to the next sales pitch. For many small farmers, this kind of networking created beneficial efficiencies in marketing and sales, where capacity for these functions was relatively small due to the size and location of operations. For two egg farmers taking the time off for this event was difficult as they are busy raising their chickens, harvesting the eggs, marketing their product and distributing it – often as far away as San Francisco. “But the benefits here are exponential,” he said. “This is one-stop shopping to make some connections” (KII: UC2)

Another producer saw positive results through the feedback received in these five minute face to face encounters. A potential buyer told this producer they might buy his toffee had it been made from organic sugar and this is advice going forward allows this producer to improve his product (KII: UC2).
Okanagan Valley Economic Development Society (OVEDS)

Economic development officers from across the Okanagan Valley are united under the OVEDS umbrella organization to work collectively towards investment attraction goals. This is a semi-formal organization that has seen various iterations in structure and vision. The fundamental idea is that “The Okanagan Valley” as a united front will be better able to attract large scale investments and business relocations by providing a stronger brand image and more diverse opportunities (industrial lands, urban centres, municipal services, universities and supporting industries). Rather than competing internally to secure investments and risk losing them completely, it has been recognized that new investments to one municipality bring spinoff benefits to the broader region in the form of jobs, retail demand, tourism, and housing. There have been successful pilot projects where economic development officers have done work on behalf of another municipality to secure new investments and business relocations to the region. A number of pioneers are pushing for this regional approach to take hold and are working together voluntarily “off the sides of their desks” (KII: UC12). This example coming from OVEDS represents an instance where the EDO had to intervene to facilitate cooperative relationships between otherwise independent jurisdictions, to promote the idea of collective action and demonstrate its efficacy.

There is currently no formal metric for evaluating the successes of the Okanagan Valley Economic Development Society as the organization is operating loosely and informally. Because the current focus of OVEDS is business attraction for the whole of the Okanagan, the total number of new businesses to the region would seem like a good approach for evaluating success, though this is challenging as not all businesses relocating can be attributed to the work of OVEDS. The success of OVEDS to date is more about a shift in the understanding of
development, looking towards building strength in the region rather than localities and working collaboratively to attract businesses that otherwise would have overlooked the region.

**Regional Investment Attraction**

With a supportive council in Vernon, it has been possible for the Vernon Economic Development Office to pursue a regional approach to investment attraction as a pilot project, to demonstrate its efficacy to other economic development officers across the Okanagan Valley in all three Regional Districts. The city of Vernon’s economic development office has greater resources, experiences and wider professional networks than some of the surrounding rural electoral areas, making it better able to deal with sophisticated development proposals, site selection requests and larger multinational companies with high expectations of service. One specific example involves the former Owens Illinois Glass plant located in Coldstream, BC. It is a 91 acre property with a 150,000 square foot factory and a warehouse roughly 250,000 square feet in size. At the time this property lay vacant, without overwhelming interest for a property with these specific attributes. Properties like this are rare in the Okanagan and when a company is interested in acquiring the property it is important to the regional economy to secure this investment.

There was a formal site selection request sent in from a large US company for the property. However, the Coldstream economic development office had never seen a site selection request before and would not have had the skills or the time to fill it out promptly. There is typically a 48-hour turnaround time after which if the economic development office does not respond, they are off the company’s list of interesting sites. This specific request presented 120 questions touching on everything from environmental services to footprint size to zoning and
noise pollution bylaws. There were even a number of provincial matters not subject to local jurisdiction. This specific request would take the district of Coldstream, with limited capacity in personnel, skills, experience and necessary connections, too long to fill out, so the City of Vernon volunteered to complete this request recognizing that this new facility would bring broader economic returns to a region through increased development of homes, retail sales and tourism.

The idea behind OVEDS is to create this same kind of regional approach for the entire Okanagan Valley – to have a larger area to market when targeting major cities like Edmonton or Calgary for local investment and to develop increased capacity for dealing with and securing interested companies. It is an umbrella organization of sorts for coordinating investment attraction for the Okanagan Valley premised on the idea that with a greater population, land base, and available services, the potential economic opportunities will be greater for prospective businesses.

I have had a pretty supportive council in Vernon for this regional approach when I point out that we don’t have industrial lands [in Vernon]. So we do a service for free to the region – yes it costs us because they are not contributing anything but if we get a company to come to Coldstream and take over the former glass plant, we are all going to benefit (KII: OV6)

It is this recognition of the value of regional investment attraction that OVEDS hopes to instill in the Okanagan Valley’s various economic development organizations, specifically the three regional districts and their respective economic development teams. If this approach grows valley-wide there will be even greater capacity and opportunities to attract even more businesses.

OVEDS formed in 2005 around the concept of pooling our resources and working together to create a broader market size. The central Okanagan EDC has one budget and the city of Osoyoos has another (much smaller) budget. When you travel to Seattle WA, for example, they [potential investors] do not care about Kelowna and Osoyoos individually, they care about the Okanagan Valley [italics added for emphasis] and what it can
offer with regards to trading values, companies, suppliers and marketing. (KII: OV1)

**Facilitated Networking Opportunities: Metabridge**

In the Okanagan Valley, an assortment of organizations come together and dissipates on the basis of specific projects. In order to secure funding and acquire the necessary skills and expertise for a given project, various different organizations will come together based on the assessed needs to complete the project. This collective action is not bound by formal rules, commitments, or requirements, but comes together and dissipates as needed or as appropriate based on projects or local context (KII: OV2). There is a network of different organizations all working simultaneously and collectively depending upon the needs of different projects or businesses (KII: OV2).

A project can involve Economic Development organizations, Agriculture Canada, Community Futures – probably half a dozen partners by the time it’s done. And I think you’ll keep hearing the message that cooperation amongst all these groups is key – it would be very easy to compete with each other, but we’ve got a strong enough market and a realization that it is far more profitable to be cooperative amongst the organizations (KII: OV2)

In the central Okanagan the acquisition of funding for different businesses and projects in the region was frequently assembled through the resources and connections of other local organizations working in the field of economic development.

“There will always be turf wars amongst groups working side by side in the region, but part of that [working effectively and efficiently as a region] is identifying clearly and strategically what your role is. [If you do this] you will be less likely to have that overlap.” (KII: OV4)

There was a common awareness of which actors had the capacity to provide different resources for different projects, and thus organizations in need would often call together different
assemblies of regional actors (organizations/institutions) depending on the type of funding or supports they required. A good example of this type of collective action is the Metabridge event.

Kelowna, BC, located in the Central Okanagan Regional District, plays host to Metabridge an annual networking event for the Okanagan Valley’s technology sector. This annual event fosters direct connections with Silicon Valley technology partners for investment, joint strategic partnerships, mentorship and advisory opportunities (BCIC, 2013). Since 2008 Metabridge has evolved from a single-day 30 person event in Kelowna BC, to an annual program directly engaging hundreds of technology stakeholders across Western North America (Community Futures, 2012).

The non-profit Metabridge event has been founded on the principles and values of entrepreneurship and aims to improve Canadian technology companies’ lack of access to key individuals in the industry and to connect Canadian technology companies to the global business world (Metabridge, 2013). Previous Metabridge events have included attendees from Google, Mitel, Microsoft, Facebook, AVG Antivirus, Trend Micro, HootSuite, RIM and Disney. This is a two-day event consisting of interactive presentations, roundtable discussions and VIP networking sessions (Accelerate Okanagan, 2013). Previous participants have realized some tremendous successes as a result of this event. "Success breeds success, and this is good fertile ground for a tech industry," said Bernard Slede, Hewlett Packard's managing director of start-up ecosystem programs. "With the right ingredients, and the right approach, you can build a successful company anywhere," and pointed out Vineyard Networks as an example of this. Vineyard Networks is a Kelowna company that delivers application intelligence technology solutions to global networking and telecom vendors. This company has been growing throughout the past year, winning awards and contracts and more recently started working with Hewlett-
Packard. CEO Jason Richards has said the key to Vineyard Networks’ success is building partnerships and mentoring relationships. "It's not what we know so much as who we know and the people we get to do business," he said. Metabridge is credited by many as integral to allowing start-up companies to forge those bonds.

With such a competitive talent pool in the valley, entrepreneurs, businesses, investors, venture capitalists, are looking at other areas of the world. Metabridge is a real opportunity for Silicon Valley to connect with entrepreneurs up here.

Alison Rosenthal, Facebook/Mentor/Angel Investor (Metabridge, 2013).

Conferences like Metabridge draws attention to the amazing potential and talent that reside in places like the Okanagan. It has dramatically changed our business.

Metabridge Entrepreneur (Metabridge, 2013).

There are many organizations that contribute to this event, ranging from private accounting firms, large high tech companies, the Central Okanagan Economic Development Commission, the BC Innovation Council, and Community Futures of the Central Okanagan. There are roughly 25 partners that all contribute in various ways to this event.

For the Metabridge event, the Central Okanagan Community Futures office was able to secure funding over three years, roughly 40 percent of the total funding. The other 60 percent came from the Central Okanagan Economic Development Commission, private funders and the Provincial Government through the BC Innovation Council (BCIC). All of these funders came together but had their own objectives. The Community Futures’ objective was to build a nucleus or foundation for promoting the industry locally through capacity building and individual client support through financing new start-ups. The BC Innovation Council was more interested in the actual technology and innovations. Accelerate Okanagan was more interested in supporting clients on day to day basis in terms of programs and product support. The Central Okanagan
Economic Development Commission uses it as an attraction tool to attract other businesses to the community, which is more their mandate (KII: OV2; OV1; OV5).

We try not to duplicate each others’ efforts, and the benefit to having 25 partners is that everyone has their own objectives, their own mandates and their own roles in the overall event. We’ve been able to find synergies to allow each organization to do what they do best – and through ongoing communications we’ve ensured were not duplicating work. (KII: OV2)

**Commonalities Between the Regions**

*Regional Branding, Marketing and Investment Attraction*

Both regional organizations formed to work collectively across jurisdictional boundaries with a focus on investment attraction and branding, and marketing their region. The organizations in both regions have focussed on reaching a wider audience – nationally and internationally – as a strategy for the economic development of their region.

Branding the region allows for the development of regionally specific products, like specialty food and agriculture products. We saw this in California, where olive oil, a regionally specific product, was successfully marketed to Chinese food buyers through a collaborative trade mission, assembled by the regional economic development organization. This strategy is increasingly being employed amongst economic development officers but also amongst consumers who are increasingly aware of where their food comes from and how it is grown.

Another opportunity created by regional branding is the investment attraction strategy which was employed in both regions. Marketing an entire region as opposed to individual counties has much more market strength as there will be a greater diversity of options for companies requiring different kinds of industrial lands, with greater servicing opportunities, varying proximities to transportation routes and various communities for employees and families to put down roots. It is
through the increased size (Storper, 1997) and capacity of the regional scale that allows this to happen.

Where competition amongst individual counties or municipalities existed, regional organizations were able to step in to create collaborative solutions. Collaborating is defined as “exchanging information, altering activities, sharing resources, and enhancing the capacity of another for mutual benefit and to achieve a common purpose” (Himmelman, 1996). The regional organizations, by their very function, were able to exchange the necessary information to identify these opportunities, promote the alteration of political activities in these jurisdictions to prioritize attention on these opportunities, provide necessary support staff, and create sufficient capacity to enable rural and remote jurisdictions to effectively promote and secure local investments. Here the role of the regional organizations is facilitation and without this facilitation, the criteria for collaboration would likely not have been met. In both regions, the regional organizations provided staff to enable the collaboration, where otherwise resources would not have been shared.

**Facilitated Regional Networking**

Another common strategy amongst economic development officers in both regions is the facilitation of networking and interactions among regional businesses, and the connection of the region to a broader market through focussed networking events. Again this exemplifies the role of regional economic development organizations in facilitation. In both cases, the regional organizations create the strategic direction of the event based on assessed local/regional strengths, and take on the organizational role, with financial support and personnel. Had it been left to the individual businesses, they would not have organized a regional event like this as they
are focussed on their own businesses and do not have the same value for regional prosperity or share the same regional vision.

**Discussion**

There were not an overwhelming number of regional collaborations. Many of the strategies employed by economic development organizations were targeted at individual business development or were merely examples of networking amongst businesses in the region. There were successful collaborations in both regions. However where collaboration existed, it appears as though it would not have been possible without facilitation through a regional agency’s intervention into the local economy. There are very few examples of endogenous initiatives emerging from longstanding stocks of social capital as the New Regionalism suggested would exist. However, where small successes exist, from networking events to political cooperation on investment attraction, to regional collaborative trade missions, social capital is built. The cumulative nature of social capital suggests that as this collective action occurs, while perhaps artificially facilitated, it increases the ability of the region to work collectively in the future as actors build on past experiences, learn lessons and foster new relationships. The examples of collective actions that fall short of true collaboration were viewed as successful “steps” in the economic development process. The question remains, however, why there were generally not more stories of regional collective action emerging from the research.
CHAPTER 5: BARRIERS TO COLLABORATION EXPLAINED

New Regionalism suggests that collective action— from networking to collaboration – is beneficial at the regional level for economic development; however, it fails to acknowledge the costs associated with collective action and the barriers that make employing this strategy in economic development policy quite challenging. Based on the New Regionalism literature, we expected to see collective action occurring amongst economic development officers and amongst businesses in both regions. We were surprised to find fewer examples of collective action and specifically, true collaboration. Many of the interviewees discussed the structural barriers and resistance to regional collective action that exists amongst local actors. There are various theories from the literature as to why collaborative/collective relationships do not develop and these have been applied to actual instances in the regional economic development context.

Municipal Free Riding

Many of the political figures in the Okanagan Valley region see no reward from contributing to the creation of collective goods which they will receive regardless of their contributions. Regional economic development is often built around spinoff benefits that accrue within a region due to things like investment attraction, infrastructure developments, or small business developments. Because these spinoff benefits cannot, by their very nature, be limited to only those people contributing to membership in a regional organization (non-excludable), there is an opportunity for free-riding to occur. This concept was mentioned in passing in the interviews though discussed gracefully and politically. Some informants indicated that other municipalities were not contributing, though the discussion generally stopped at that, with noticeable restraint, as though they were giving a tactful answer to these questions. Some municipalities, it was
pointed out, could not afford to contribute as much due to financial constraints and this was generally acknowledged as reasonable.

They [some municipalities] are not active [in the regional economic development organization], and that’s their choice. And that’s ok. Sometimes its economic obstacles and sometimes its political obstacles, where they just can’t do it (KII: OV6)

When we look at the collective action that is being pursued in the Okanagan, one of the strongest hurdles to overcome in developing a regional approach to economic development, built on regional collective action, is the political barriers and the formal jurisdictional boundaries. These boundaries exist at different levels, from municipalities, to counties, and county agglomerations in the form of economic development districts. As political parties change, new government administrations have sometimes rearranged the structure in which economic development takes place.

Regional economic development is very cyclical – Vernon used to have a regional function, then it was divided into the municipalities and now you’ve had some regional directors saying I think we should have a regional function again. When you look at the central Okanagan, District of West Kelowna has recently incorporated and they’re coming back to the Regional District saying we want these menu items taken off the regional function and we want to have those items in house as a function of the municipality (KII: OV6)

In the Okanagan Valley it has proven difficult to work across regional districts and within regional districts as politicians are also concerned with budget allocations to economic development, inter-municipal competition, and self-interested (constituent based) development goals.

…when you look at the Central Okanagan EDC participating in OVEDS, one could say that we subsidize a lot of the work there because the membership model is population based and the projects fees are equitable
pay to play. We pay the most so one could argue that we subsidize others. (KII: OV1)

One of the problems of political jurisdictions is that they are inherently self-interested as they are tasked with representing the interests of their constituents. “I think for the most part people believe in regional economic development, but in reality it’s often very difficult. One of the biggest challenges is funding and how do you justify the funding” (KII: OV4). Politicians are often faced with the question “what are the true gains I’m going to get back to us as a council?” said one key informant. “If you’re just looking at your own budget you’re saying, well we have a limited budget were a small community of 5000 people [for example] – how much can we pay and what is the return on that investment? And I think that is the challenge” to supporting economic development at a regional level (KII: OV6).

On specific regional development projects, justifying the regional benefits of a project to members of an organization has caused conflict and objection. For example, OVEDS and the Central Okanagan EDC have been working on an investment attraction project to attract to the region a high end culinary institute that would develop local skill sets, attract high end restaurants and increase the quality of life that helps to attract other new businesses. The potential spinoff effects are numerous, though an institution like this needs a physical location. Justifying the regional impact of this culinary institute is very challenging for the OVEDS group because there are members who participate that “still think very insular – what am I going to get out of it for my community” (KII: OV4). Economic Development Officers who were interviewed expressed frustration with these kinds of sentiments. Much contention exists between regional districts politically. “If the culinary institute is located in Kelowna, for example, the North and South will both be questioning why it is not located in their regional districts. You will probably see that contention more prevalent from certain areas as well. For some reason it is more difficult
to communicate the impact of regional economic development to some specific communities and stakeholders than to others.” (KII: OV4).

The political resistance to a broader regional development approach, in this instance demonstrated by the proposed culinary institute, has proven to be a significant barrier for the Okanagan Valley, despite a continuing effort to convey its merits from certain economic development officers. One informant struggling to instill the regional model noted:

Best practice says that regional economic development is the way to go, but through my experience on the ground, it is very challenging to achieve. Politically is typically why – you have communities that see they’re competing against each other. If you can try to convince them that they’re not competing against each other, that they’re actually competing against other jurisdictions across the country and that they can actually work together, you will see success.” (KII: OV6)

**Rational Self Interest**

*Upstate California Olive Oil*

It initially appeared that the trade delegation to China and the negotiated contract between olive oil producers from Upstate California and Chinese food buyers would be a successful story of collaboration. The original idea coming from the Upstate California Economic Development Council and its trade delegate partners was the establishment of a common regional brand and contributions from an assortment of local olive oil producers to acquire enough quantity to fulfill the order. This regional brand would overcome initial concerns from the producers that delivering lower grade oil to Chinese buyers would detract from their individual brand images. The broader regional implications of this new brand would be recognition of *Upstate California* in China, paving the way for other regional products to be sold in China in the future. This regional brand, that fulfilled individual interests (olive oil producers) and collective interests
(other regional agricultural producers and EDOs), was abandoned when Chinese buyers indicated a preference for the higher quality olive oils of the independent olive oil producers in the Upstate region.

This change is not without lessons. In this case, individual contracts were favoured over a collective relationship with all things being equal. The individual businesses preferred to have a one-on-one relationship with Chinese buyers, despite the potential benefits a regional brand would bring for other agricultural producers. This switch indicates that although regional organizations hold a broader vision and value the interests of the region, individual businesses often have their own interests in mind and are unable to understand the concept of regional development. To alleviate this problem, and perhaps in the future persuade businesses that a regional brand is beneficial, regional organizations need to do a better job at communicating where collective (regional) interests and individual interests align and compliment each other.

Moving forward, the strategies discussed that helped alleviate collective action problems like regional branding can be used in other contexts, meaning this work has produced certain positive results for the Upstate California Economic Development Commission. Based on our understanding of social capital as cumulative and self-reinforcing, as this organization continues to make connections and overcome challenges, new opportunities may develop that were otherwise not conceived.

**Collective Interests vs. Individual Interests**

One of the challenges observed in this research is a lack of a common understanding that working collectively across a region, towards regional economic development, is a worthwhile pursuit. This has come out in stories of municipal free-riding, individual branding, and rational self-interested budgeting. Creating this regional vision requires a regional organization to employ
a regional vision as well as cover the financial costs/risk involved with regional projects. Individual businesses or municipalities are so concentrated on daily tasks that they sometimes fail to look towards broader regional opportunities. The Olive Oil contract is an example where local olive oil businesses, successful at their niche task - that of producing olive oil - did not have the tools to develop this opportunity on their own, whereas the Upstate California Economic Development Council was well equipped to do so.

It is success stories like this that help create a common understanding that working together across a region has advantages. Here we draw on the concept of social capital as cumulative. As people have positive experiences working collectively, these are remembered, and in the future, tend to be more willing to work together.

**Bonding Social Capital**

*Okanagan Organic Farmers*

The organic farmers in the Okanagan Valley illustrate an example where bonding social capital can inhibit economic development goals, as regional organizations strive to grow a local industry. While social capital generally, and bonding social capital more specifically, can have positive outcomes, this is not always the case. The observations made around the organic farming industry in the Okanagan Valley illustrate an example where social capital can impede economic development, contrary to its positive and optimistic portrayal in New Regionalism literature. Philosophies, cultures and ideals entrenched in organic farming communities have been seen to impede attempts at economic development, with emphasis instead on preserving quality of life in the work-life balance, and upholding values surrounding small-scale production.
The Community Futures Okanagan-Similkameen conducted a pilot study on the organic farming industry, assessing the size of the market, the industry, its relative size in Canada, and the opportunities. In the end the report to the farmers concluded that the industry is lacking raw produce and processed food. A demand in the market for organic produce grown locally has been identified, however the current organic farmers do not have a stable enough supply to meet the needs of large corporate organic buyers (KII: OV4).

The South Okanagan farmers are not great at working together. Here we have a 9 billion dollar company in Whole Foods and a 146 million dollar company in Vancouver’s own Nature’s Path, and they won’t buy locally because they are too afraid the supply chain would stop (KII: OV4).

Members of the South Okanagan Community Futures attended a lecture from a representative of Nature’s Path who identified the systemic supply chain problems from the purchaser’s perspective. Supporting the South Okanagan through local purchasing of organic fruits, for example, is a favourable idea, but it is not feasible financially and logistically as the local producers cannot produce sufficient and consistent product. Nature’s Path and other large organic purchasers need consistency in their products and so tend to buy from very large farms. In March of 2010 Whole Foods started buying farms because they couldn’t get enough produce for their business. They introduced a 4 million dollar loan fund to help independent farmers grow their businesses. All of their organic food now comes from across the US, yet with the growing conditions and existing organic farms in the Okanagan Valley – especially the South – there is a promising business opportunity to get involved (Whole Foods Market, 2010).

Community Futures tried to market the region and organize some kind of collaborative partnership that would create the capacity necessary to supply large buyers like Nature’s Path, but met great resistance. “They keep saying they’re the organic capital of Canada but they can’t
work together. They can’t seem to get everyone on the same page because they’re all competing. So that’s a challenge” (KII: OV4).

Talks around the organic sector were challenging for economic development officers, who were unable to find farmers eager to grow their businesses. Local economic development officers talked with thirty six farmers and out of those farmers, only three of them wanted to move forward on a broader regional project. Another challenge is their suspicions of and resistance to the corporate world. After conducting research in the area, doing interviews of local farmers, this KI had this to say about organic farmers’ values and lifestyle goals:

The people in organic farming are sick and tired of the corporate world and they move out here, buy a piece of land, grow their own food, because they want to go to the local market and sell their products locally. So when you suggest they sell to Nature’s Path they resist “selling out” to the corporate world. The cultural values of zero growth and the maintenance of a stable lifestyle also make it hard to encourage growth (KII: OV4).

Organic farming for many is more than a job. It is a lifestyle where people make enough money to survive but love being outside, and do not necessarily want to become big farms. In there is a shared ideology, where adherence to one way of life through deeply entrenched cultural values and strong stocks of social capital, have impeded collective action and potential partnerships. Strong values around families and lifestyle have been a factor in impeding development of this industry.

This portrayal of bonding social capital’s negative side comes from the perspective of those actors working in the field of economic development, where positive outcomes equate with growth – economic growth, growth in jobs, and growth in production. This same example of bonding social capital could be seen as quite positive from the perspective of the organic farmers, who in this case are able to resist change and growth in the context of an ever growing, globalizing world.
Many of the northern counties of California, now represented as Upstate California, historically were built around the gold rush in the late 1800s. Later the timber industry sustained local economies. When environmental regulations changed with regards to the removal of timber stands, the timber industry died out. In the 1980’s the region was a booming place due to the timber harvests, but since then, citizens and governments have failed to find a new direction for the struggling economies, to find what replaces gold and timber (KII: UC5). Economic development officers in the northern counties of the Upstate region are faced with reinventing local economies to shift beyond traditional industrial activity like logging and milling wood.

There’s a lot of fall back to agriculture but again it has been very low value commodity production agriculture and a lot of locals have continued to try and fight to get back into timberlands as opposed to looking towards what is next (KII: UC5).

This fight to stay in the timber industry, to expand and build new sawmills, has prevented entrepreneurs and local businesses from looking outside this industry and this region to develop new industries, products, services, and markets. It has also been a significant barrier for EDOs throughout the region, working to facilitate new economic development. This blindness to new opportunities caused by the long history of timber extraction has been detrimental to overall economic development. The economic development council has taken an active approach in searching for new economic opportunities or “what comes next” (KII: UC12; UC3). Taking agriculture and looking at value-added opportunities while connecting the region internationally is a good example of how they are looking outside traditional jurisdictional boundaries and outside traditional economic practices.
There has to be trailblazers. There has to be institutions that on their own or in a partnership with a collaborative can move things forward when everyone else can’t see the bigger picture. (KII: UC3)

With the timber industry, they are trying to change the conversation from promoting and legislating workers “back into the woods” towards sustaining the existing base and moving on.

It’s a strong shift – you’re talking about policy shifts, fundamental shifts in people’s perceptions of who they are and their identity. Over the last several years we have had a shift in perceptions but we are at the forefront of it now and we haven’t seen a lot of change yet. (KII: UC5)

There has been more positive movement in 2012 than in the previous three years, suggesting some growing momentum in the collaborative approach to economic development. One key informant stated there are more initiatives, more collaboration and more willingness to collaborate amongst local partners, and more innovation in the business community.

There’s some movement here that’s really good. I would attribute that to the change in focus. It’s because we’re starting to look out and think what do we do, how can we fix it, and stop looking at what we have done and start looking at what we can do. (KII: UC5; UC12)

Some of the new growth includes water bottling plants opening in Dunsmere and Mount Shasta and a new retail commercial facility looking to relocate to Siskiyou County.

However, these comments indicate another struggle facing economic development officers: in a region where people do not always want to change, innovate or “develop” the local economy how can economic development take place? Development does not always come if communities are left to their own devices. Sometimes, where social capital is strong it is especially difficult to create change. Sometimes people don’t have the broader vision and they are unable to see how they can change. Sometimes people see only how it has been and do not want anything more (KII: UC3). This does not constitute a failure, though it represents a definite barrier to the optimistic view of collective action touted in the New Regionalism. Economic
development organizations play a role in helping communities move beyond their traditional livelihoods, and enabling them to embrace innovation and change in the local economy.
CHAPTER 6: CONCLUSION AND DISCUSSION

In Chapter 2, the literature review of this thesis has explored the New Regionalism, and examined the roots of collective action theory to assess collective action’s contribution to regional economic development and the factors that enable it to occur. The New Regionalism is a body of work exploring regional economic development that has challenged historical neoclassical approaches to development, focusing instead on mobilizing regional assets, and building competitive advantage through regional networks and shared values of trust and reciprocity (Amin, 1999). The new regionalist perspective places emphasis on “local things” (skills, knowledge, natural resources, quality of life) as primary contributors to a region’s competitiveness (Keating, 1997). Collective action literature has two foundational premises for how individuals and groups come to work together, known generally as the rational actor hypothesis and social capital. Olson’s (1965) rational actor hypothesis views humans as inherently self-interested and unwilling to work together without some kind of inducement or pressure from an external party, such as laws, policies or incentives (Olson, 1965). The focus of policy in this model is on government intervention. For Coleman (1990), social capital is “created by individuals spending time and energy working with other individuals to find better ways of making the achievement of certain ends that would not be attainable in its absence”. Putnam (1990) defines social capital as “features of social organizations, such as networks, norms, and trust that facilitate action and cooperation for mutual benefit”. The New Regionalism borrows Coleman’s assessment of social capital’s utility in accomplishing collective interests, and uses Putnam’s descriptions of the necessary features of social organization.
Based on the review of the literature, the hypothesis of this thesis was that successful instances of regional economic development would be based on interjurisdictional, collaborative relationships in the regional setting built on local stocks of social capital – longstanding networks of association, local empowerment and shared norms of trust and reciprocity.

In Chapter 3, case study selection and methodological approaches to research were discussed. This study has used key informant interviews of economic development practitioners, politicians, consultants, local businesses and nongovernmental organizations working in the regions.

Chapter 4 discussed some successful instances of collective action, facilitated through regional economic development organizations and various forms of social capital, though this empirical research identified fewer instances of collaboration than anticipated and revealed that barriers to collective action were more prevalent than expected. See Appendix D for a categorization of social capital typologies found in the case studies.

Chapter 5 explored the multiple barriers that prevented collective action and, more specifically collaboration, from occurring. The rational actor hypothesis, while overlooked in the New Regionalism, captures many of the challenges for collective action in these regions. See Appendix C for a categorization of the collective action typologies found in this research.

**Merging Collective and Self Interests: The Olson Putnam Gap**

The fundamental problem uncovered through this research that faces governments and economic development officers, is the merging of collective interests and individual interests in the regional setting. How are the collective interests of the region writ large affected by the individual interests of the businesses and citizens that comprise the regional constituency? One
way the merging of collective and individual interests is said to occur naturally is through shared values and norms that facilitate civic-mindedness and civic engagement (Putnam, 1990). Another way this might happen is through mandated or coerced action through government intervention, formal rules and laws (Olson, 1965). The challenge currently facing governments and economic development organizations is how to bridge this gap between individual and collective interests in a cost-efficient manner while encouraging the sustained long-lasting development initiatives that can demonstrate the proposed benefits of regional collaboration. Social capital based approaches (Cheshire, 2000; Ostrom, 1990; Putnam, 1993) have been shown to have greater lasting value, while coercive government interventions can force action upon unwilling actors (Olson, 1965).

**Limitations of the New Regionalism and Steps Forward**

This thesis found that both rational actor models of collective action and social capital models of collective action exist in practice as described in the literature. The rational actor model has been shown to impede collective action in the coordination of regional economic development while social capital has facilitated collective action. While there are certainly merits to the New Regionalism encouraging social capital based solutions, it is biased towards this approach and places insufficient emphasis on the existence of rational actor collective action problems. This gap between Olson’s (1956) and Putnam’s (1990) concepts of collective action and collective interests like regional economic development, is another way of expressing the challenge of merging individual and collective interests. This gap suggests the space in which regional economic development agencies should exist and contribute to development goals. This gap is characterized by a question: how can the rational actor collective action problems be resolved
through external intervention, while acknowledging the importance of social capital and fostering local stocks of social capital for the success of future development processes?

This research suggests that rational actor models and social capital models should not be viewed as mutually exclusive since they are both present in practice. Both approaches to explaining collective action have merit in some circumstances. Incorporating the components of each may point the way towards effective public policy in support of regional economic development.

Encouraging the growth of social capital can bring new connections, innovative partnerships and more efficient use of resources, though it takes long periods of time to develop (Putnam, 1993). Building collaborative relationships and planting seeds of social capital takes resources and involves a willingness to accept risks. These may not be present in a specific region. If this is the case expecting local actors to undertake regional collaborations is likely to be a disappointing strategy. But the absence of resources and risk aversion may be alleviated through the intervention of an external organization. Organizations that provide a regional vision, the necessary personnel, financial and organizational resources and with mandates that prioritize the development of local/regional relationships amongst economic stakeholders can support the emergence of regional social capital and thus build a foundation for future regional economic activity. Governments need not carry out projects themselves, but they need to help these regional organizations carry the flag of collective action as the smaller actors within the region learn about its utility and increase their willingness to engage in collaborative initiatives.

**Alleviating Transaction Costs for Economic Development**

The concept of transaction costs explores the gap that was uncovered in this thesis between the Olson (1965) and the Putnam stance (1990) with regards to how collective action happens. While
barriers to collective action are described in this thesis using principles of the rational actor hypothesis – rational self-interest, free-riding, self-maximization – there is also a case to be made that collective action is an aspiration for all self-interested actors, but that costs associated with it are prohibitively high. Coase (1960) contends that collective action problems are often resolved in an effort to reduce transaction costs. Exploring the problem of regional economic development through the lens of transaction costs could yield effective insights into potential strategies for government involvement.

Transaction costs are a major impediment to human behaviour. Transaction costs impact a number of different fields. One particular field that continues to receive attention is the local, regional and global collective action problems associated with the use of natural resources. These problems, as identified in the Tragedy of the Commons in 1965, continue to give rise to deforestation, species loss, acid rain, ozone depletion and climate change, to name a few (Taylor & Singleton, 1993). In ecological conservation efforts, global and regional coordination is becoming more common as countries strive to preserve biodiversity. In these cases, collaboration across countries has been found to be more costly, complicated, and requiring additional logistics and resources in comparison to local programs (Kark, Levin, Grantham, & Possingham, 2009). Solving collective action problems stemming from the presence of a rational self-interested actor entails either reducing or absorbing transaction costs (Taylor & Singleton, 1993). How can transaction costs be reduced or absorbed so that rational self-interested regional actors will engage in collaborations that generate regional economic development and social capital? An external organization or government agency can step in to absorb the transaction costs. Many treat the “necessity” of government intervention to solve collective action problems as perpetual or eternal. This research has demonstrated instances where it is quite necessary, though the
development of social capital that occurs following a successful government intervention needs to be accounted for.

In Upstate California, the trade mission to China and the acquisition of direct purchasing agreements between Chinese food suppliers and Californian olive oil producers is an example where transaction costs were absorbed by a third party organization to serve broader regional interests. In this instance, the regional economic development agency, Upstate California Economic Development Council, brought together a number of regional stakeholders, organized and funded an international trade mission to China. The organization, travel, and broader regional vision that inspired this project all have associated transaction costs that were absorbed by the Upstate California Economic Development Council. Local businesses did not have the financial resources, or the time to put something like this together, though this development project did yield positive results for individual businesses and the region as a whole. Because of this project and this regional organization’s work, further regional collaborations have started to emerge, like the agricultural speed dating events across Upstate California.

In the Okanagan Valley, regional investment attraction provides an example where one organization was able to absorb the transaction costs voluntarily for a project that was seen to benefit the broader region. In the rural context, regional districts and municipalities often do not have the same resources, capacity or sophistication to deal with complicated investment attraction. The City of Vernon recognized an opportunity for the region with the Owens Illinois Glass plant located in Coldstream, BC. Multiple regional stakeholders were brought together and specific resources of the City of Vernon were dedicated to fulfilling all the needs of a large international company interested in renting this land. While this specific project did not see a successful result, it did bring regional stakeholders together with a common goal, and has created
the recognition that there is strength in collective action. A very similar strategy was employed in Siskiyou County in Upstate California with a much more successful result and has also brought with it new connections with a belief in collective action as an effective strategy for investment attraction.

**Next Steps for Research**

A greater analysis of the barriers to collective action through key informant interviews would be effective. This research originally sought to find successful instances of collaboration and collective action, so stories of barriers and failures are less elaborate and deep than if the focus were on the barriers. This is both a limitation of this thesis, and an opportunity for future research. The role of government involvement in the field of economic development is particularly important to the planning field and other academics interested in community development, as these are the actors who will be intervening into communities and economies with the goal of improving the quality of life and the functioning of socioeconomic activity. This research would also benefit particularly from a more thorough examination of transaction costs, as these underpin a problem governments face and an opportunity they have in economic development.
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Appendix A – Interview Guide

EREDI INTERVIEW GUIDE

GOVERNMENT AGENCIES/ INDUSTRY ASSOCIATIONS

Organization: ________________________________
Address / contact info: _________________________ Founded: ____________

Part 1: Understanding the Organization

1. What is your organization’s primary mandate (eg. goal, purpose)?
   a. Major sources of funding? (prompt: sources of revenue)
   b. Leadership / Governance Model: (prompt: individual/board/other)
   c. Size of staff: (describe) (prompt: number of workers; paid/volunteer)

2. History of the organization (Has the mandate evolved over time? Has it been established under a program with a specific set time period? What events stimulated the creation of the organization?)

3. Who does the organization represent? (e.g. membership (paid non-paid), sector, community, multiple jurisdictions – geographical, urban/rural mix or primarily rural?)

4. What kinds of services/activities/programs does the organization offer to support local firms/industries or the broader regional economy? (prompt: how does the organization go about fulfilling its mandate / types of programs, annual budget, number of staff dedicated to each program)

5. Are there any internal or external factors that have been critical to your organization’s success? (prompts: leadership, government programs, policies, community / political / private sector support). Why? Explain.

6. What are your key success measures/indicators?
   a. Do these measures reflect the progress of the organization or region as a whole?
   b. Are these measures comparable to other organizations? (Prompt: Within the region? In other regions?)
   c. How do you report these metrics to your members/stakeholders (e.g. annual AGM, annual report, web site)
   d. Are there any challenges in using these metrics? Are there preferred / other metrics that you do not use that would capture your success?

Part 2: Collaboration and partnerships

1. Do you / To what extent do you collaborate with other organizations?
   a. What organizations do you collaborate with? (business, government, industry associations)
   b. What is the nature of this collaboration (eg, information sharing, projects)
c. Are these collaborations formalized? If so, how? (prompts: formal partnerships, MOU)

d. Are these partners located inside or outside of the region? (if inside prompt about outside partners; if outside vice versa; if blended ask about which type of partner is more important)

e. Are these partners located within urban or rural communities?

f. What factors motivate you to collaborate with other organizations in your region?

g. What barriers or challenges prevent you from collaborating with other organizations/ businesses/ other groups? Or prevent further collaboration? (e.g. limited funds, time, lack of interest, leadership and personalities, lack of political will, government policy, etc.)

2. Can you think of a good example of a time when you collaborated with another organization/ business/ group that was located in a rural community in the region to deliver a service/ activity/ event/ program/ initiative? (if no rural examples, then prompt urban) If yes, ask questions a-g. If no, why not?

   a. Who did you collaborate with? (Prompt: key players – gov't, business, other orgs)

   b. What was the purpose of the collaboration? (Prompt: benefits of collaboration, intended outcomes, impact on the region or industry, who benefits in the region (urban/rural? Specific sectors/ workers/ etc.)

   c. How did you organize yourselves in order to facilitate the collaboration? How did you interact? (Prompt: advisory group/ task force/ third-party coordinator/ project-based)

   d. What were the outcomes of this collaboration? (Prompt: actual achievements and outcomes)

   e. Does location impact the process of collaboration? (Prompt: are partnerships with actors in urban centers more easy to facilitate; why or why not → same with rural) If yes, were there any particular challenges? If so, what were they and how did you address them?

   f. What have you learned from this instance of collaboration?

Part 3: Collaboration and partnerships in the region

1. Is there a history of regional approaches/collaboration to address development in your community? If yes, in what areas?

   a. Are there any unique local assets or capabilities that have fostered regional approaches or collaboration? (prompts: key organizations, leadership, role of public, politics, government policy – incentives, legislation, supports)

   b. Are there any barriers or challenges that have prevented regional approaches or collaboration?

2. Who are the key players in economic development in your region?

   a. How would you describe the relationships among these players?

   b. Are these partners located inside or outside of the region? (if inside prompt about outside partners; if outside vice versa; if blended ask about which type of partner is more important)

   c. Are these partners located within urban or rural communities?
d. How do urban and rural communities in the region interact? To what extent are rural communities involved? How are they involved? (if, only rural – ask about whether or not all communities involved equally)

3. In your view, have any other associations or events played an important role in the development or support of this sector or regional economy? If yes, which are the most valuable and why? If no, why not?

4. Is your organization (or any individual within it) involved in any of these associations or events? Why/why not? (Prompt: development of present relationships with companies in sector/actors in network, establishing relationships among suppliers, customers, collaborators, research institutes)

5. What mechanism(s) exist for regional collaboration amongst various organizations and agencies (e.g. formal, informal, etc.) in your area?
   a. What is the structure?
   b. What capacity do they have (e.g. dedicated staff, volunteers, operational funding, etc.)

6. Have you had success in growing the regional economy? What were the factors that contributed to that success?

7. What are the factors inhibiting the further regional growth of the firms/industries in the XXXX sector?

8. Where would XXXX region be/what would the region look like if successful collaborative regional development were taking place (prompt: is the region currently there? On the right path?)
## Appendix B – Key Informant Chart

<table>
<thead>
<tr>
<th>Code</th>
<th>Organization</th>
<th>Area of Specialization</th>
<th>Tier of Operation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Okanagan Valley</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OV1</td>
<td>Central Okanagan Economic Development Commission</td>
<td>Regional Economic Development</td>
<td>Regional District</td>
</tr>
<tr>
<td>OV2</td>
<td>Community Futures Central Okanagan</td>
<td>Local Business Development</td>
<td>Regional District</td>
</tr>
<tr>
<td>OV3</td>
<td>Community Organization</td>
<td>Local Agricultural Development</td>
<td>Community</td>
</tr>
<tr>
<td>OV4</td>
<td>Community Futures South Okanagan</td>
<td>Local Business Development</td>
<td>Regional District</td>
</tr>
<tr>
<td>OV5</td>
<td>Accelerate Okanagan</td>
<td>Technology Incubator</td>
<td>Okanagan Valley-wide</td>
</tr>
<tr>
<td>OV6</td>
<td>Economic Development Organization</td>
<td>Economic Development</td>
<td>City of Vernon</td>
</tr>
<tr>
<td>OV7</td>
<td>OVEDS</td>
<td>Regional Economic Development</td>
<td>Okanagan Valley-wide</td>
</tr>
<tr>
<td>OV8</td>
<td>Local Agriculture-based Business</td>
<td>Farm tourism</td>
<td>Local</td>
</tr>
<tr>
<td>OV9</td>
<td>Community Futures North Okanagan</td>
<td>Local Business Development</td>
<td>Regional District</td>
</tr>
<tr>
<td>OV10</td>
<td>Consultant</td>
<td>Community Economic Development</td>
<td>Okanagan Valley-wide/Provincial/National</td>
</tr>
<tr>
<td>OV11</td>
<td>Regional District of North Okanagan</td>
<td>Regional Growth Strategy</td>
<td>Regional District</td>
</tr>
<tr>
<td><strong>Upstate California</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UC1</td>
<td>Yuba-Sutter Economic Development Corporation</td>
<td>Regional Economic Development</td>
<td>2 County Region</td>
</tr>
<tr>
<td>UC2</td>
<td>Yuba County</td>
<td>Economic Development</td>
<td>County</td>
</tr>
<tr>
<td>UC3</td>
<td>3Core</td>
<td>Regional Economic Development</td>
<td>3 County Region</td>
</tr>
<tr>
<td>UC4</td>
<td>Center for Economic Development (CED) at California State University, Chico</td>
<td>Economic Statistics and Research</td>
<td>Regional</td>
</tr>
<tr>
<td>UC5</td>
<td>Siskiyou County Economic Development Council</td>
<td>Planning</td>
<td>County</td>
</tr>
<tr>
<td>UC6</td>
<td>Glenn County</td>
<td>Planning</td>
<td>County</td>
</tr>
<tr>
<td>UC7</td>
<td>Sustainable Valley Technology Group</td>
<td>Business Incubator</td>
<td>Southern Oregon</td>
</tr>
<tr>
<td>UC8</td>
<td>Yuba County</td>
<td>Agriculture Commissioner</td>
<td>Regional/State</td>
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<td>UC9</td>
<td>UC Davis</td>
<td>Food Systems Analyst</td>
<td>State</td>
</tr>
<tr>
<td>UC10</td>
<td>Yuba-Sutter Farm Bureau</td>
<td>Advocate and outreach for Growers and Family Farms</td>
<td>Regional</td>
</tr>
<tr>
<td>UC11</td>
<td>Local Business</td>
<td>Farm tourism</td>
<td>Local</td>
</tr>
<tr>
<td>UC12</td>
<td>Upstate California Economic Development Commission</td>
<td>Regional Economic Development</td>
<td>Upstate California: 20 Counties</td>
</tr>
</tbody>
</table>
## Appendix C – Categorization of Collective Action in the Case Studies

<table>
<thead>
<tr>
<th>Collective Action Typologies</th>
<th>Location</th>
<th>Evidence</th>
<th>Implications for Regional Economic Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Networking</td>
<td>Upstate California</td>
<td>1. Regular meetings of the Upstate CA EDC</td>
<td>A necessary building block of collective action and social capital and economic development. Sharing information was shown in some instances to lead to more involved projects</td>
</tr>
<tr>
<td></td>
<td>Okanagan Valley</td>
<td>1. Informal relationships amongst EDOs, Community Futures, regional stakeholders 2. Metabridge (for tech sector)</td>
<td></td>
</tr>
<tr>
<td>Coordination</td>
<td>Upstate California</td>
<td>Trade mission to China (Olive Oil Producers)</td>
<td>Olive oil producers resisted a true collaboration. It was difficult for the Upstate CA EDC to bring them even to the level of coordination.</td>
</tr>
<tr>
<td></td>
<td>Okanagan Valley</td>
<td>Regional investment attraction</td>
<td>One sided collective action, where City of Vernon assumed most of the work: should be a collaboration across the valley, but hasn’t manifested itself into one</td>
</tr>
<tr>
<td>Cooperation</td>
<td>Upstate California</td>
<td>1. Ag Speed Dating (for EDOs) 2. Regional investment attraction 3. Trade mission to China</td>
<td>2. Came together opportunistically. No ongoing goal of collaboration. 3. This trip would not have happened without 1. An organization with a regional vision 2. The necessary funds to organize an event like this 3. The ability to overcome self-interests to share resources</td>
</tr>
<tr>
<td></td>
<td>Okanagan Valley</td>
<td>1. metabridge</td>
<td>1. Brought together the necessary funders, who each &quot;had their own intentions&quot;, but all supported the event</td>
</tr>
<tr>
<td>Collaboration</td>
<td>Upstate California</td>
<td>There are elements of collaboration within broader projects, though no truly collaborative economic development projects between jurisdictions in these regions were uncovered</td>
<td>It is difficult to find examples that meet all the criteria of true collaboration according to Himmelman (1992).</td>
</tr>
</tbody>
</table>
### Appendix D – Categorization of Social Capital Typologies in the Case Studies

| Social Capital Typologies                                      | Location               | Evidence                                                                 | Implications for Regional Economic Development                                                                 |
|                                                               |                       |                                                                       |                                                                                                               |
| Bridging: relationships and connections between heterogeneous groups | Upstate California    | 1. Ag Speed Dating Event  
2. Investment attraction and retention  
3. Upstate CA EDC | 1 & 2 Would not have happened without the intervention of the regional economic development organization. Connecting people at the same level.  
3. Groups came together initially from different perspectives, with shared situations and challenges of economic hardship |
|                                                               | Okanagan Valley       | 1. metabridge  
2. Investment attraction  
3. OVEDS | 1 & 2 facilitated through regional actors, striving to create stronger social capital.  
3. Struggling to survive due to a deficiency of bridging social capital |
| Bonding: relationships between members of a homogenous network who share a common identity | Upstate California    | 1. Northern counties - timber industry | 1. Resistance from local stakeholders to innovate and diversify beyond timber industry: Citizens sometimes unaware alternatives exist or work  
Note: The positive outcomes of bonding social capital were not observed in these case studies. |
|                                                               | Okanagan Valley       | 2. Organic farmers | 2. Resistance to scaling up farming operations: sometimes social and cultural values outweigh economic development values  
Note: The positive outcomes of bonding social capital were not observed in these case studies. |
| Linking: social relationships that exist across explicit institutionalized levels of power and authority | Upstate California    | 1. Olive oil producers and the Upstate CA EDC | 1. Small businesses sometimes need the efforts of a third party to convey a regional vision and work towards regional interests |
|                                                               | Okanagan Valley       | 1. Community futures  
2. Economic gardening | Government working to directly support and grow local businesses, with a one on one approach |