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Institutional Choice in Local Economic Development Organizations

Jongsun Park

THE FLORIDA STATE UNIVERSITY

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JONGSUN PARK

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The members of the committee approve the dissertation of Jongsun Park defended on October 26, 2009.

Richard C. Feiock
Professor Directing Dissertation

Charles Barrilleaux
University Representative

Lance deHaven-Smith
Committee Member

Keon-Hyung Lee
Committee Member

Approved:

Earle Klay, Chair, Askew School of Public Administration and Policy

The Graduate School has verified and approved the above-named committee members.

Dedicate to My Parents,

Chang-Gyun Park and in Memory of Kyung-Lym Lee

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ABSTRACT

Economic development is always a central concern for local governments, and has become increasingly important as the federal role in this area has been reduced in the last two decades. More recently, county governments have extended their activities in order to be closer to the people having greater needs and preferences resulting from economic decline and suburbanization. Economic development has become a major priority among counties.

This dissertation takes an encompassing approach to institutions that focus primarily on institutions as organization-level governing structures, but also views organizations and their choices of institutional structures as shaped by the larger institutional environments in which they are embedded. Local organizations have obvious importance for development priorities, policies, and success, but we know very little about the organizations and institutions for promoting local growth, or how and why they have chosen and changed over the past two decades. Especially, there is greater importance of local organizations in counties, because they have larger resource bases than municipalities, and stronger local identification which can facilitate economic development programs and policies. This study asks these three questions focusing on organizational choices for economic development in U.S. counties. How do communities organize themselves to promote economic development? Have county governments changed their organizational arrangements for promoting economic development? What accounts for organizational choice in three dimension of county economic development organizations: 1) internal organizations in departmental function; 2) locus of active organizations; 3) regional partnership organizations?

With 500 respondents of the survey for statistical analyses, in internal organizations of county governments, the dominant choice was to place the department under the control of the county commission, administrator or manager, while the second was a separate department type in 2009. Also, the results indicate that counties with economic decline rely on separate type to robust economies, and specific interests and inter-local networks influence change of organizational arrangements positively in the structure of county governments.

In the locus of development authority, public organization was the most dominant organizational arrangement for economic development in counties. Public-private organization was the second in 2009. In addition, the results of statistical analyses show that counties with economic decline and a reformed form of government rely more on public-private organizations to promote economic condition, while stronger environmental interest choose public organizations as the active actor for county economic development. Specific interests (pro-development interest and pro-environment interest) have affected change of development groups for the last 10 years.

In 2009, about 80% of county governments joined in regional partnership organizations. The analysis indicates that stronger environmental interest, a reformed form of government, and a closer inter-local network are positively related with participating in the regional partnership organizations. Also, specific interests (pro-development interest and pro-environment interest) and a reformed form of government have made the county governments affiliate with the regional organizations between 1999 and 2009.

Finally, this dissertation confirms that counties have chosen and changed their organizations for economic development reflecting public demands, specific interests, and inter-local relationships.

CHAPTER 1

INTRODUCTION

1.1 Institution and Organization

Institutions are sometimes thought to encompass more than just organizations. Douglass North (1994) defines institutions as the rule of the game and the organizations as the players. Organizations are agents influenced by the formal and informal elements of the institutional environment in which they operate. But even though organizations are constrained by higher level institutions and rules, internal structures shape transaction costs and distribution of resources within organizations. A major role of institutions is to reduce uncertainty by establishing a stable structure both between and within organizations. Building on North's perspective, Kahlil (1995) views institutions as equipment needed to pursue organizational preferences and intended common objectives. Frederickson and Smith (2003) also differentiate organizations and institutions by arguing that organizations link themselves with institutions and the institution codifies and legitimizes outcomes performed by organizations.

Organization economics, on the other hand, treats organization structures as institutions or governing structures. The transaction cost literature focuses on how the boundaries and structures of organizations govern transactions and exchanges among individuals, units and organizations (Williamson 1991). Sociologists such as Zucker (1987) also consider an organization as an institution. In his view, organizations are themselves important sources to institutionalize new action. He illustrates that "a university can create a new department, new structure, new knowledge that is defined as expert, and the new set of categories to which people are allocated (p. 446)."

This dissertation takes an encompassing approach to institutions that focus primarily on institutions as organization-level governing structures, but also views organizations and their choices of institutional structures as shaped by the larger institutional environments in which they are embedded.

1.2 Meaning of Local Economic Development

The issues of economic development have a long history in U.S. cities and counties. Nevertheless over the last couple of decades, locally-based economic development has introduced not merely new rhetoric but a fundamental shift in the activities related to economic development as well as in the actors involved (Blakely 1994). Local economic development activity has dramatically intensified since the urban crises of mid-1970s and the economic downturn of the early 1980s (Feiock 1991). Cochrane (1992) describes the pattern as an enterprise state:

> It is not difficult to see the period since the late 1970s as one in which the links between business and government have begun to be forged rather more effectively than the past, as part of the process of moving toward an "enterprise" state. The language of welfare has been replaced by the language of growth, regeneration, and public/private partnership, particularly in urban areas (p. 415).

Robinson[1] (1989) argues that a central feature of locally based economic development is in the emphasis on endogenous development using the potential of human and physical resources to create new employment opportunities and to stimulate new, locally-based economic activity. Therefore, the public sector is responsible for guiding private investment decisions to generate desired economic development outcomes. Blakely (1994) describes that local economic development as process oriented, which means it is a process involving the formation of new institutions, the development of alternative industries, the improvement of the capacity of existing employers to produce better products, and the nurturing of new firms and enterprises. Practically, local policies such as tax breaks, location incentives, and financing incentives affect urban growth and development by attracting new industries, facilitating the maintenance, and expansion of existing operations, and encouraging more intensive land use (Feiock 1991).

Olberding (2002) indicates three waves of local economic development strategies. The first wave which began in the 1930s in response to the Great Depression consisted of strategies designed to lower the cost of tax, land, buildings and labor to attract businesses. The second wave began in the 1970s in response to various circumstances, such as an increase in competition

[1] He suggests two economic development policy approaches. The first is the "Corporate-Center Approach," which places the economic development emphasis on urban real estate development and industrial attraction. The other is the "Alternative Approach," which attempts to steer economic development activities to local disadvantaged residents.

in the market, a decline in the importance of manufacturing in the economy, and a request of markets for goods and services including research that increased doubts about effectiveness of traditional economic development strategies. The third wave swelling for the past decade is characterized not by the policies for economic development but by the type of organization. The main objective in this wave is to create a new institutional and organizational arrangement with responsiveness, a flexible foundation for economic development, and sufficient scope (Alkinson 1993; Clarke & Gaile 1992; Clarke & Saiz 1996; Gray & Lowery 1990).

Currently, community organizations and local governments, even the narrow local government in the public sector, are realizing that their actions have a strong impact on private decisions. Similarly, nonprofit and quasi-organizations at the neighborhood level have had dramatic impacts on private investment for economic development (Blakely 1994). Finally, local economic development means the process in which local governments and community organizations engage to stimulate business activity and strategy. Based on this definition, local governments, community institutions, and private firms have been essential actors in the economic development process.

1.3 Economic Development and Organization

One of the rising issues in local economic development is how to best arrange community organizations to accomplish strategic development goals and objectives. According to North (1990), organizations are "the groups of individuals bound by some common purpose to achieve objectives." Fleischman and Green (1991) point out three ways the local economic organization is important for substantive and symbolic reasons. The first is the organizational structure may influence the effectiveness and efficiency of local economic development programs and activities. The second is that local organizations are organized to carry out economic development that may influence the character of their programs and activities. The third is that the manner in which the bureaucracy is organized may influence the legitimacy or justification of a local government's economic development efforts. Blakely (1994) identifies four roles of economic development organizations play: entrepreneurs or developers, coordinators, facilitators, and stimulators. In the first role, local governments or local development organizations decide to operate commercial enterprises themselves controlling for conservation or future development. In the second role, a local government or development organization acts as a coordination body to establish policy or propose strategies for an area's development. In the third role, local governments manipulate the business climate, streamlining the development process, and improving planning procedures and zoning regulations. In the fourth role, the government stimulates business creation or expansion by taking specific action that induces firms to enter or remain in the community. In addition, he emphasizes that a well-developed local economic development organization has strong financial planning controls and a forward-looking financial planning system, a strong economic and employment planning component, strong connections with the private sector and good relations with all the social groups within the community, and aggressive identification of new areas for growth.

Strategically, local economic development departments, legislative policy committees, and economic task forces all interact with regional and local public and private agencies, development corporations, and even national and international organizations. Luke and his colleagues (1988) argue that effective economic development strategies must suit particular social, cultural, physical, and economic conditions and emerge from assessments of local capabilities. When the initial strategies or policies have been formulated, local governments and communities have to create or develop organizations with responsibility to implement and evaluate them. Even though there is no single right way to manage economic development strategically, the organization structure should be designed to fit the characteristic of development activity and particular needs facing the state and community. They argue that successful development requires collaborative efforts and actions coordinated with economic opportunities. Local governments cannot carry out economic development unilaterally. Therefore, effective economic development organizations have to promote strategic planning with the wide variety of organizations involved in economic development activities, in integrating economic research, and in learning from experience (Luke et al. 1988).

Peter and Hogwood (1985) explain organizational changes as indicators of the policy cycle. They say "very often when government initiates a program an organization is also initiated; when governments want to change a policy they may also change the organization delivering the policy." Because of organizational thresholds and because organizations require explicit administrative action, change is more useful as an indicator of political attention than other indicators such as personnel resources and budgets. From a similar perspective, Kane and Sand (1988) assert that stakeholders are important in setting general directions for an organization. A community's organization involves stakeholders in a formal and informal manner, and without it, the organization lacks political support to rally the community behind its objectives and programs.

Basically, local economic development is an institution-building process. As a result, local economic development requires the establishment of strategic organizational systems and configurations that can manage the development process over extended periods of time.

1.4 Previous Studies of Local Economic Development Organizations and Limitations

Only a few empirical studies have examined both local governments and economic development organizations, despite the increased importance of local economic development organizations. The great majority have focused exclusively on local governments (Green et al. 2002). In the economic development policy adoption studies, the scholars mention that the most common variables include local government institutional structure, political institution, regional competition, economic distress, and city size (Clingermayer and Feiock 1990; Donova 1993; Feiock et al. 2003; Feiock and Kim 2001; Fleischmann et al. 1992; Reese and Fasenfest 1996; Robinsom 1989). Their critical findings are that the structure, such as a manager-council form and a ward system, in local governments influences activities to promote economic growth positively, and professionalization of economic development policy leads to more closely targeted activities and greater success.

In other research, Fleishmann and Green[2] (1991) were interested in organizational choice regarding internal organizational functions in local governments. By introducing various types of economic development agencies, they indicated that larger cities and cities with a side range of economic development programs and property tax burdens were most likely to have a specialized separate department for promoting development. On the other hand, in cities that were more dependent upon manufacturing, local governments avoided economic development being left in the hands of a decentralized line department.

In a study of comparative economic organizations, Williamson (1991) explicated three different keys that distinguish three generic forms of economic organization which are market, hybrid, and hierarchy. The three generic organizations are discriminated by different

[2] They said that each way of organizing economic development activities within a local government has its own advantages and disadvantages. Each way will be explained in detail in Chapter 2.

coordinating and control mechanisms, different abilities to adapt to disturbances, and a distinctive type of contract law. Based on Williamson's concept, Boore and Feiock (2005) argue that citizens attempting to form private governments that supply public goods may encounter collective action problems, because urban areas are increasingly populated by new organizations called private governments, e.g., homeowner associations, community benefits districts, and business improvement districts that are created within the boundaries of existing local governments. Their case study examines potential collective action problems in forming private governments, and shows how solutions to these problems emerge as a consequence of a political contracting process between stakeholders, where the rules of the resulting relational contract define expected cooperative behaviors.

Green and his colleague (2002) focus on rural communities and local development organizations as quasi-public entities to promote economic development. They find that local development organizations are involved in more economic development activities than are local governments. They are more successful at business recruitment and more effective at retention or expansion, both in number of firms and in jobs. Also, they point out that the organizational networks of local economic development organizations and local governments consistently influence their effectiveness.

Little research has studied local organizations or compared the policies and programs in local economic development. Furthermore, even though several cross-sectional studies have examined local government economic development administration (Feiock 1991; 2002; 2003; Fleischman and Green 1991; Fleischmann, Green & Kwong 1992), there has been little attention to the changes and specific roles in the organizations involved in local economic development. Environmental uncertainty and complexity require local government officials to manage development policies strategically. As Frederickson's asserts (2004), local governments build and choose their institutions, just as people build their physical houses, and adapt and remodel them to fit for their purposes. It is necessary to achieve a better understanding of the diversity and role of local organizations in economic development.

1.5 Research Questions

How do communities organize themselves to promote economic development? The answer to this question has obvious importance for development priorities, policies, and success, but we know very little about the organizations and institutions that promote local growth or how and why they have been chosen and have changed over the past two decades.

Since the fiscal crises in the mid-1970s, local governments have been pressed to foster local economic growth. Economic development, always a central concern for local governments, has become increasingly important as the federal role in this area has been reduced in the last two decades (Clarke & Gaile 1998). This dissertation will investigate three dimensions of the organization of economic development at the local level in the U.S., and test a political market explanation and network explanation for the choices and changes in these institutions. The first organizational dimension is the location of economic development functions within local government. The second is whether the primary economic development actor is a local government, a development authority, or a private organization such as a chamber of commerce. The third dimension is whether the local government participates in a regional economic development partnership organization to promote growth.

Why do local governments choose and change specific institutional arrangements for the promotion of local economic development? What accounts for institutional choice and change in the organizations involved in local economic development programs? How does the configuration of specific interests, political institutions and intergovernmental networks influence institutional choice and change? Despite the salience of intended current choice and change in the organizational structure of local development organizations, there have not been systematic efforts to answer these questions. To answer the questions posed above, the dissertation will investigate institutional dynamics in local economic development organizations.

1.6 Outline of Dissertation

Chapter 2 and 3 provide the theoretical background for this dissertation. Chapter 2 introduces three dimensions of economic development organization in local communities. First is the internal organization of local government functions: 1) Development as an Executive Function; 2) A Separate Department of Economic Development; 3) Having Economic Development with a Larger Agency; and 4) Decentralized Line Departments. Second is the locus of local development authority within the community: 1) Public Organization; 2) Private Organization; 3) Public-Private Organization. Third is the extent to which local development organizations for regional partnership rely on regional partnership organizations. I integrate two related issues, competition and cooperation or coordination in regional governance of local economic development.

After describing various types of local organizations for economic development, chapter 3 provides an overview of the theoretical approaches to capture institutional choice and change in local organizations. First, it introduces traditional organization theories such as structural contingency theories, organizational ecology theories and transaction cost economics. Second, it introduces more political approaches--the interest group theory and the political market framework. These frameworks identify the sources of institutional choice and change based on demanders and suppliers, and the internal and external forces influencing those actors. Third, networks of relationships among local government units provide a critical mechanism for overcoming transaction costs barriers to organizational choice and change. Based on these approaches, the combined model articulates three key sets of variables: 1) characteristics of communities, 2) political constraints, and 3) network structure's influence on institutional choice and change in local economic development organizations.

Chapter 4 defines the conceptual and analytical units of analysis focusing on the role of county governments. It explains the scope of research as well as each variable, builds working hypotheses, describes data collections, and delineates the research methods. For the analysis, binominal and multinomial logistic regression is used to estimate the models.

Chapter 5 and Chapter 6 explain the findings of this research. Chapter 5 reports descriptive analyses of the survey results to identify the pattern of institutional adoption and change in local economic development organizations. Chapter 6 provides statistical analyses of findings regarding the influence of institutional choice and change focusing on the dimensions of the organizations to test the hypotheses.

The final chapter summarizes the results of the analyses and concludes with a discussion of the theoretical as well as practical implications of the findings. Also, it introduces the limitations of this study and the direction of future study suggested by this research.

CHAPTER 2

THREE DIMENSIONS OF ECONOMIC DEVELOPMENT ORGANIZATION IN LOCAL COMMUNITY

Through the long history of local economic development, local officials have responded with a number of policies and programs which are available to local leaders to meet community demands (Fleishmann & Green 1991). That means that local organizations, as actors to carry out the policies and programs, have obvious importance for development priorities and success. Blakely (1994) argues that every organization interested in local economic development has to decide the role it wants to play in the development process. In addition, based on the standing and configuration of the organizations, the economic development planning process in which they engage will be shaped by the resources it can ultimately use to initiate economic development.

Chapter 2 introduces the roles and structures for three dimensions of economic development organization in local communities. The first dimension focuses on the internal organization of local government functions. The organizational alternatives examined are: 1) Development as an Executive Function; 2) A Separate Department of Economic Development; 3) Economic Development with a Larger Agency; and 4) Decentralized Line Departments. The second dimension focuses on the locus of local economic development authority within the community: 1) public organization; 2) private organization; and 3) public-private organization. The last dimension focuses on regional organizations and arrangements, specifically the role of regional partnership organizations. Each organizational form has its own advantages and disadvantages for local economic development activities.

2.1 Internal Organization of Local Development Functions

Fleishmann and Green (1991) introduced five ways in which functions can be assigned to internal local agencies. They found that most common choices placed development within an executive office or as a separate department. The other forms they identified were a larger agency, a hybrid, and a line department. However, here I present four agency locations for economic development functions: 1) Development as an Executive Function; 2) A Separate Department of Economic Development; 3) Economic Development with a Larger Agency; and 4) Decentralized Line Departments--combining as one type hybrid and one line department.

2.1.1 Development as an Executive Function

When located within the executive, economic development functions are retained within the offices of the commissioners, mayor, city/county manager, or chief administrative officer. This allows programs to receive higher priority than if they were in decentralized departments. Also, making the executive responsible for development can have symbolic value (Fleischman & Green 1991). It provides confidence to business that local economic growth is of major importance to the community (Wolman 1988), even though highly visible activities are not necessarily the most likely to be successful (Rubin 1989).

The organizational chart of Cobb County (GA) in Figure1.1 shows an example of the executive form.

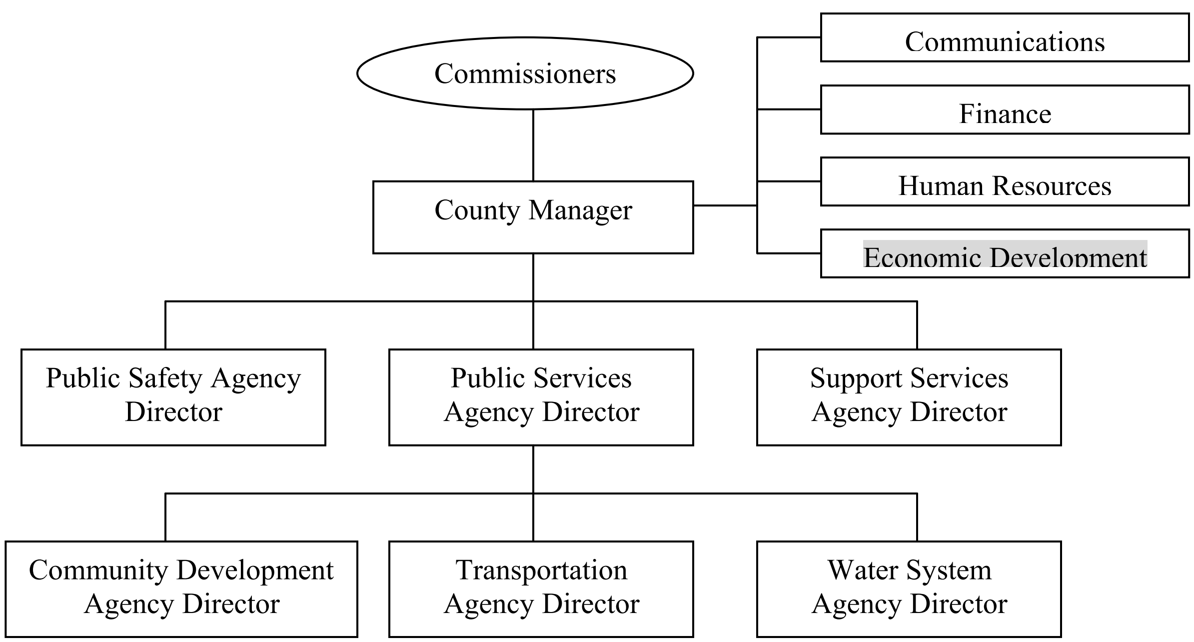

Figure 1.1. Cobb County[3] (GA) Government Organizational Chart

[3] Source: www.cobbcountyga.gov

Placing economic development responsibilities within mayor or city/county manager can be an attractive option because it can provide access to political and professional leadership for major development efforts. Without this support, many investment activities may be more difficult to achieve. Conversely, this approach has been criticized and over-politicized for making development or implementation difficult because of conflicts among other departments having different objectives such as public works or the environment (Luke et al. 1998).

2.1.2 A Separate Department of Economic Development

Another common structure is a separate department specializing in economic development activities. This is a form of functional agency which groups all of the activities into a separated department (Fleischmann & Green 1991).

There are several benefits to being a single department charged with promoting local economic well-being. First, such an organizational type might be more accountable and efficient than if these tasks were decentralized to line departments, most of which may have to balance development against other agency goals. Second, there are more opportunities for specialization, training might be easier, and duplication of effort could be lower than if several departments were responsible for economic development (Dessler 1986). Third, a central agency may provide investors and businesses with readier access to information and services.

The organizational chart of Allegheny County (PA) in Figure1.2 shows us an example of a separated department.

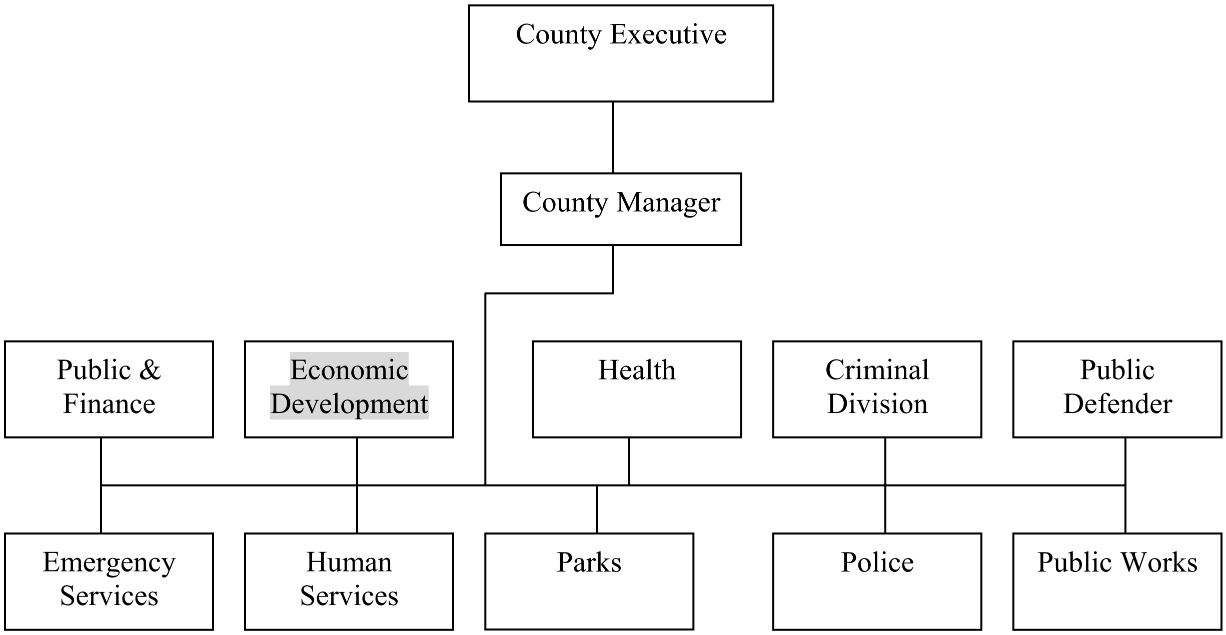

Figure 1.2 Allegheny County[4] (PA) Government Organizational Chart

Luck (1988) argues that a specialized department is attractive because it can incorporate priorities and efforts on economic development. On the other hand, such a department may lack the interdepartmental coordination to accomplish its intended work with other departments. In fact, the presence of a specialized department may place additional management burdens on a local manager. Also, creating a new specialized department may involve major start-up costs and resource constraints (Montjoy & O'Toole 1979).

2.1.3 Having Economic Development with a Larger Agency

Another way to organize economic development activities is to assign the tasks to an organization with broader scope, like a community planning or a community development agency responsible for functions such as zoning, building inspections, housing, and environmental programs as well as economic development. This arrangement can have the advantage of grouping together a wide range of activities that regulate or provide support for private investment decisions. Luke and his colleague (1988) describe several benefits associated with a combined line department. The first is that the community has a more integrated

[4] Source: www.county.allegheny.pa.us

development effort where all resources can be coordinated to carry out an economic development strategically. The second is that federal, state and local funds can be coordinated to deliver a particular product or service affecting economic development. Especially, this can be helpful in linking intergovernmental revenue to specific projects (Fleishmann & Green 1991). Finally, it produces a more coordinated effort than if a specialized economic development department had to compete with agencies concentrating on planning, public works, and other related activities. The organizational chart of Broomfield County (CO) in Figure1.3 shows us an example of a larger agency.

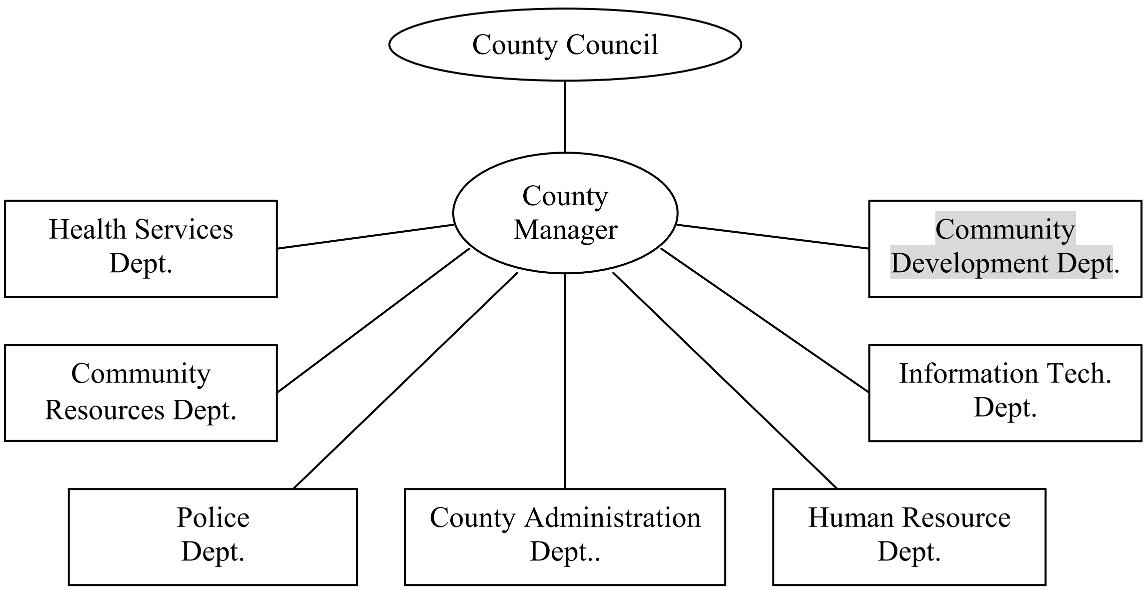

Figure 1.3. Broomfield County[5] (CO) Government Organizational Chart

On the downside, the major criticism of a combined economic and community development department within a larger agency is the dilution of effort. Combining several functions with economic development in a single office reduces the effectiveness of all those functions because of competition within such an agency for resources between economic development goals, on the one hand, and housing and community development objectives on the other hand. Also, even though economic development needs the full attention of a department, placing the economic development function within such a broad department reduces the level of advocacy for development in a city or county (Luke et al. 1988).

[5] Source: www.broomfield.org

2.1.4 Decentralized to Established Line Departments

There are two types of decentralized line departments. One is a true line department which decentralizes various economic development activities to establish line departments such as planning, building inspection, public works, and transportation. The other is a hybrid approach that has some functions assigned to a separate economic development department and others to existing line departments. These divisional departments allow the businesses have a single focal point and a single source of information to help assist their efforts or deal directly with the agencies that have services that affect their profitability and expansion (Fleischmann & Green, 1991; Luke et. al 1988). The organizational chart of Pierce County (WA) in Figure1.4 shows us an example of decentralized line departments.

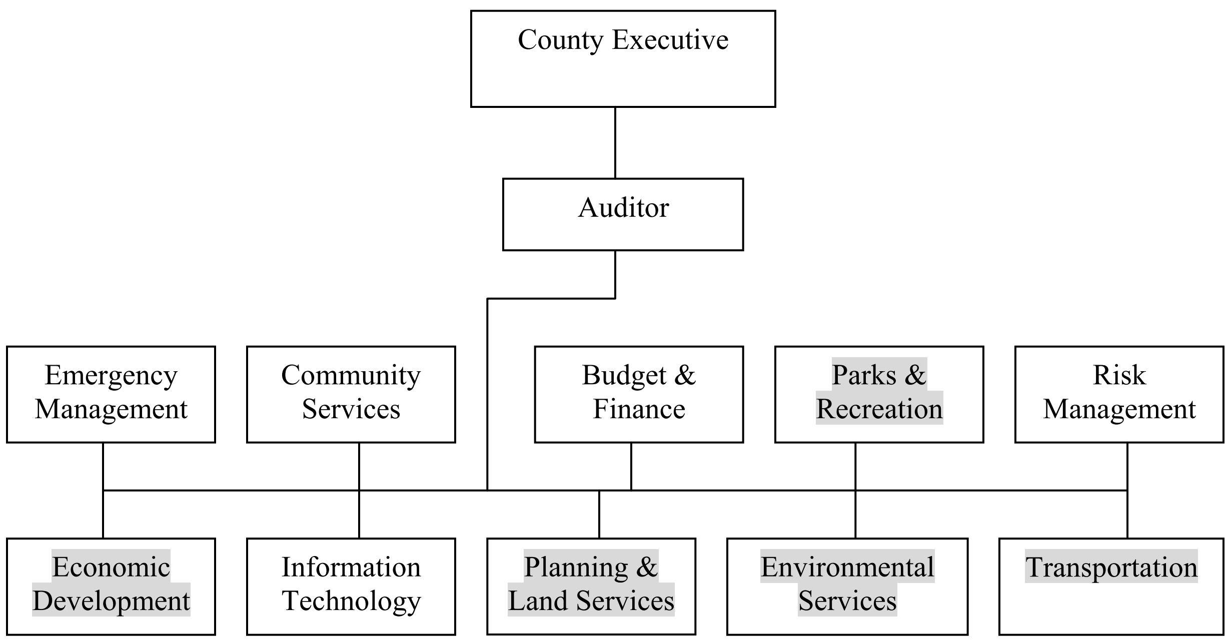

Figure 1.4. Pierce County[6] (WA) Government Organizational Chart

On the other hand, placing the labor for economic development within line departments includes possible problems such as poor coordination in administrating and monitoring economic development policies, duplication of effort, and inattention to overall development goals (Dessler 1986; O'Toole & Montjoy 1984).

[6] Source: www.co.pierce.wa.us

2.2 Locus of Local Development Authority within the Community

Why is locus of local economic development authority important as a component? There exists a clear distinction between supporters and processes for economic development among local organizations. To be successful, local organizations must be able to use a combination of authority and resources to facilitate economic development activities and programs (Blakely 1994). Such authority and resources are applied differently depending on which group is the most active group in promoting economic development in each local community.

Most local development efforts were directed by chambers of commerce in the past. Currently however, localities have created departments within local governments which are focused on implementing economic development activities, and they have incorporated a multitude of development efforts from enterprise development to community development. The economic development administration has funded efforts at the local as well as regional levels. Also, the small business administration has helped support quasi-public and quasi-private organizations for local economic development (Luke 1988).

Blakely (1994) introduces three types in a typology of development organizations. The first type is government agency development organizations. The second is private development associations. The last is local development corporations as semi-independent bodies.

2.2.1 Public Organization

Lan and Rainey (1992) define core public organizations as agencies owned by the government and funded with public money. Because the legitimacy of public organizations comes from the support of their citizens, to maintain the citizens' confidence, they have to be responsive to the needs and interest of all citizens and must provide opportunity for citizen input into the decision-making process (Schaeffer & Loveridge 2002). Some local governments consider economic development to be a regular responsibility of government that should be incorporated into its organizational structure. Public sector economic development organizations add certain strengths to a development effort. First, they can provide public-sector funding needs for local projects or activities. Second, they can provide tax incentives to promote development efforts not available to private business. Third, they can provide various types of relief from regulation, a major stumbling block for developers. Fourth, public organizations provide assistance in quality of life factors, such as public facilities, infrastructure, and crime rate, considered important to businesses. Finally, they can provide access to political and professional leadership for major development efforts (Luke et al. 1988).

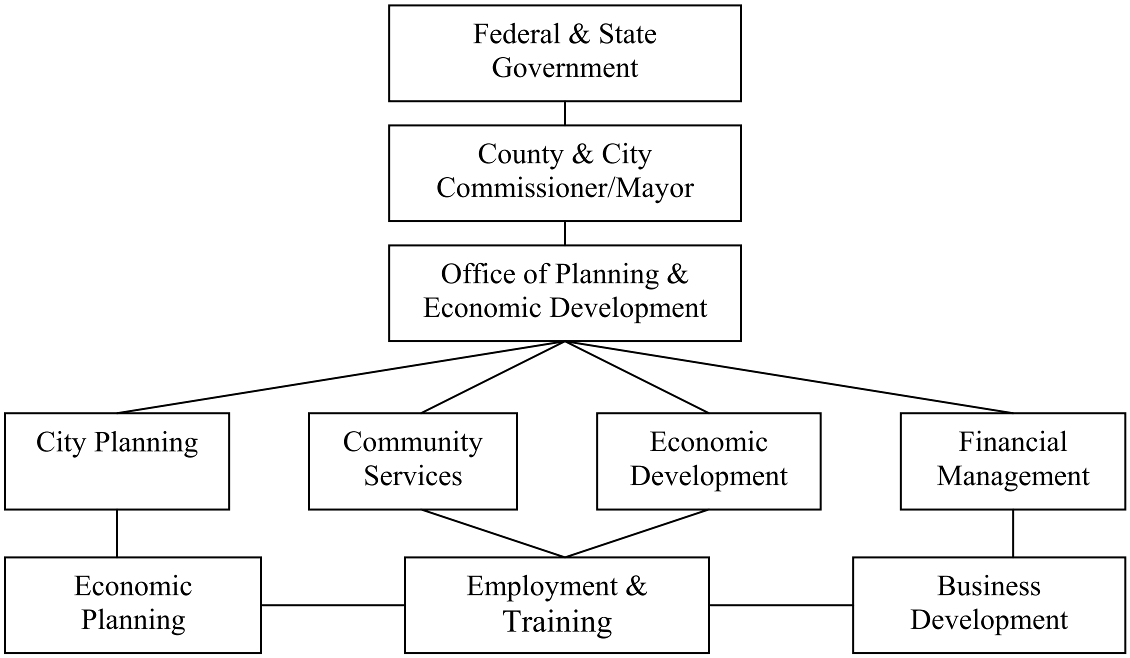

Figure 2.1. Structural Model of Development Organization in Unit of Local Government (Blakely 1994; p 291)

As shown in Figure2.1, this structure has close communication among the units. The major advantage of having public organizations as the most active units in promoting economic development in that the community is their connection to the political system and access to the political resources of local as well as state and federal governments (Blakely 1994). However, local and state public organizations have both constitutional and statutory limitations. Most local governments have limits placed on municipal debt used to assist private initiatives. Furthermore, states often have constitutional limits on their use of public funds for private investment. Another disadvantage is the delays of government bureaucracy. In local development planning, although speed is essential, it can be a fatal flaw unless the local government genuinely supports the agency through the local government council or commission actions (Blakely 1994; Luke et al. 1988).

2.2.2 Private Organization

The core private organizations are business firms and corporations owned privately and funded through product sales, with little or no funding from government (Lan & Rainey 1992). Generally, executives of private sector for profit organizations are accountable only to their owners or stockholders or to order stakeholders in some cases. So, their decisions would be made without participation by the public (Schaeffer & Loveridge 2002). Most private organizations have been created for the purpose of stimulating development activity as well as to earn profits on their activities. This type of organization has existed for some time in various local government areas. Private organizations can focus both on planning and on implementation, and most commonly, are associated with business groups such as chambers of commerce. Figure2.2 is a traditional model of a private development organization.

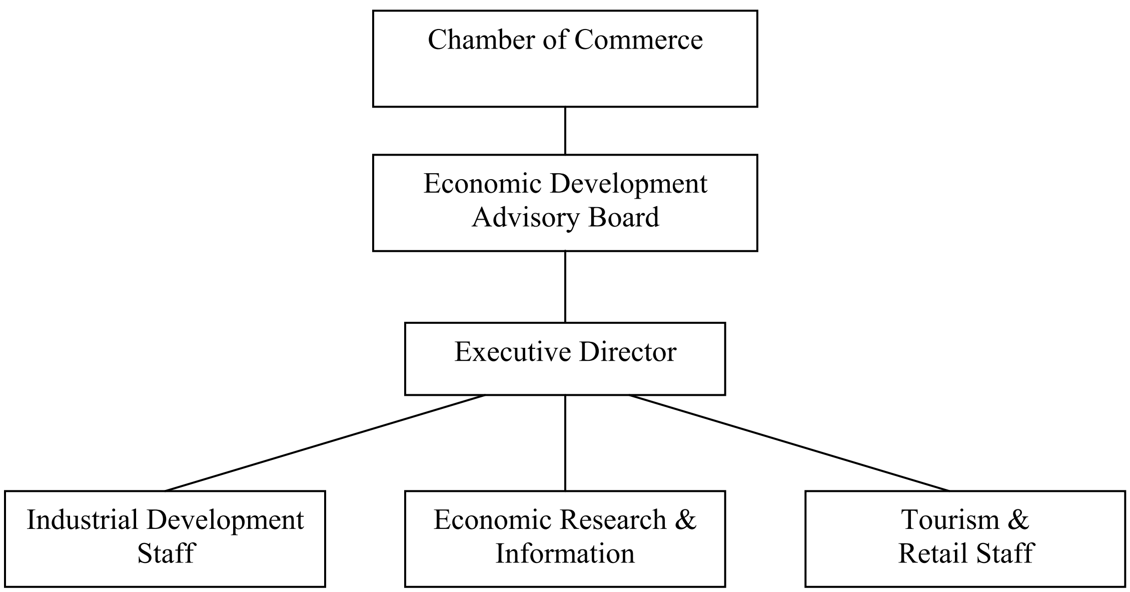

Figure 2.2. Private Development Organization Model (Blakely 1994; p 292)

Private development organizations can act quickly to accelerate local economic development, but they can be bound by limited interest. They can raise private funds, but they can become involved in high-risk ventures as well as raising the funds. These organizations are very effective as lobbyists for local interests with the local government. The major benefit to the community of such organizations is that they put peer pressure on business to mobilize resources to get things done for the community. In contrast, because of the limited interests, private organizations seldom involve themselves in wider employment and community welfare activities. Some smaller communities have decided that this is the best approach because the local government can augment these bodies by providing land and facilities, and, at the same time, cannot become a risk to taxpayers' capital by becoming directly involved in deal making (Blakely 1988; Luke et al. 1994).

2.2.3 Public-Private Organization

Lan and Rainey (1992) classify public-private organizations as hybrid service-oriented professional organizations that deliver quasi-public goods and that typically exist under both public and private ownership. Weaver and Dennert (1987) mention that public-private partnership organizations are a special form of third-party government in that they set and carry out public policies and programs for promoting local economic development. With adequate public involvement, participatory and self-management incentives, the organizations can stimulate economic adjustment and expansion.

Development corporations, public authorities, special districts, or joint-power organizations involve government as well as business and community are the most used forms of such organizations because they continue to enjoy government and private support (Blakely 1994; McFarlane 2007). Figure2.3 shows a model of a public-private development organization.

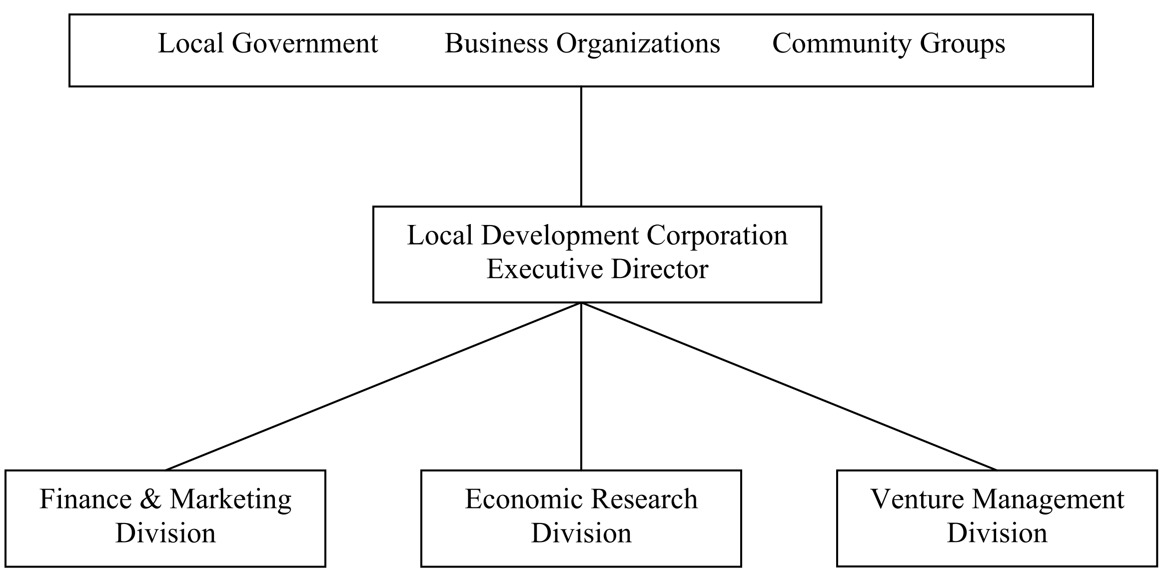

Figure 2.3. Local Development Public-Private Corporation Model (Blakely 1994; p 293)

In public-private partnership organizations, government officials can strengthen their own position in structuring and negotiating a project with private developers. This process not only allows them to negotiate a fair and reasonable sharing of costs, risks, responsibilities, and returns. Also, they can reduce the government's capital investment as well as maximize its non-tax income and tax revenue, reduce its risk, and accelerate the development process (Stainback 2000). Lurcott and Downing (1987) point out positive and negative impacts of public-private partnership organizations through a case study in Pittsburgh. They increased more widely-dispersed investment, public and private support, accountability and evaluation of themselves, and expanded technical assistance from local governments and related agencies. On the other hand, some of the corporations have experienced difficulty with their consistency in balancing their roles.

Even though, this form of organization is an excellent vehicle for local economic development and should enjoy strong support from both the public and the private sectors, there is uncertainty about power and responsibility between government agencies and private actors. When considering these forms the following questions should be kept in mind. What role is the body to perform? What role is the local government going to play in directing or controlling the body? What resources are available for the organizations (Blakely 1994)?

2.3 Regional Organization of Economic Development

Frequently, with the help of private businesses and nonprofit organizations, local governments have formed alliances and corporations that take a regional approach to building and implementing economic development programs and activities in a number of regions (Olberding 2002). Regional organizations for economic development interact with different levels of governments such as federal and state, multiple local government actors within the regional boundary, and other regional groups such as universities and local economic development groups. Generally, they produce various activities for addressing regional issues or only one issue such as economic development, service delivery, or environmental quality, with local governments through their financial and personnel resources bridging state and local governments (Kwon 2008; Olberding 2002). Regional organizations of economic development, as region-based organizations, includes various forms of regional partnership organizations, regional planning councils, regional districts with special purpose, or metropolitan planning organizations with written agreements among local governments.

2.3.1 Regional Partnership Organization

Regional partnerships are a type of regional institution created to facilitate inter-local cooperation and are usually expected to function for specific policy goals. Olberding (2002) defines regional partnership organizations as "groups of local governmental officials - and often business leaders, and other individuals – formed to enhance the economy of a multi-jurisdictional area in one way or another. For example, Florida Great Northwest[7] is comprised of counties and local economic development groups, workforce development boards, community and junior colleges, universities and private businesses. Also, the mission of Florida's Great Northwest is "to grow a vibrant and sustainable economy for all 16 counties[8] in Northwest Florida that creates nationally and globally competitive advantages for the development of key industry clusters, to increase the income and prosperity of workers and families, to ensures healthy communities and a vibrant quality of life, and to preserve the natural beauty and resources of the region." Figure 3.1 shows us the interactions among joining actors of a regional partnership within the boundary; the actors are local governments, community groups like chamber of commerce, and state and federal government.

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[7] Source: www.floridasgreatnorthwest.com

[8] Bay County, Calhoun County, Escambia County, Franklin County, Gadsden County, Gulf County, Holmes County, Jackson County, Jefferson County, Leon County, Liberty County, Okaloosa County, Santa Rosa County, Wakulla County, Walton County, Washington County.

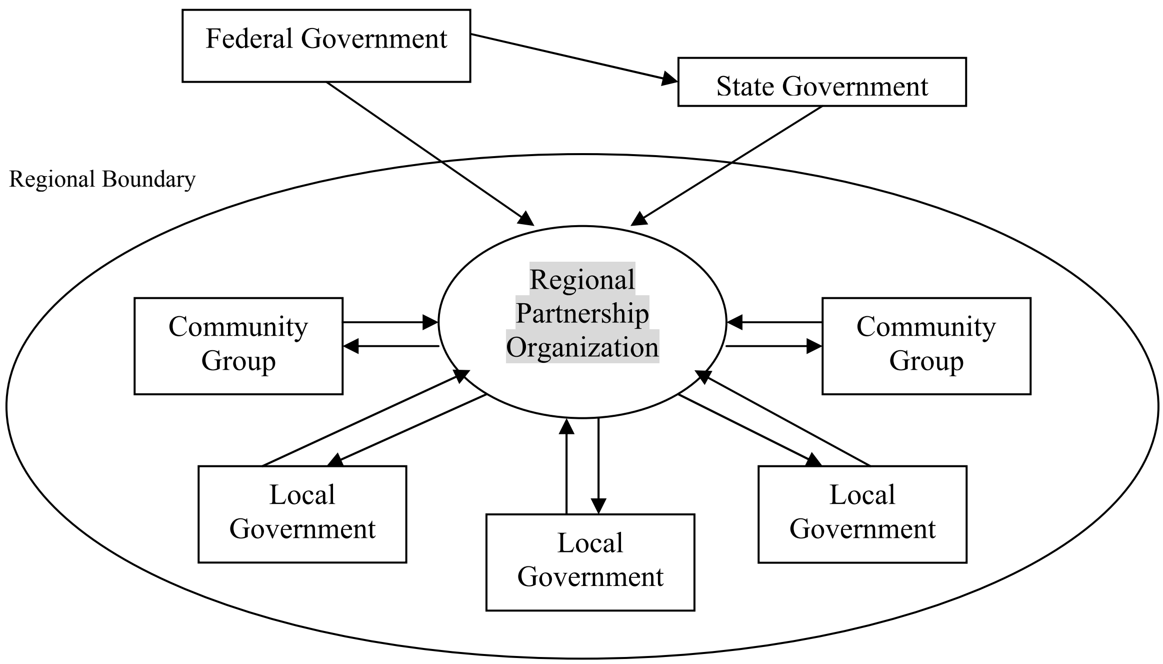

Figure 2.4. Regional Partnership Interaction Model (Kwon 2008; p 15)

Regional partnerships are multilateral contractual arrangements among diverse actors. Among them, local governments clearly play a key role in regional partnerships, and the regional economic development partnerships have become an increasingly popular approach to regional governance (Feiock et al. 2008). Local governments, particularly in a metropolitan area, have difficulties ensuring coordination among several jurisdictions pursuing similar economic development goals. Competition among local governments for progressive industrial prospects can waste scarce public resources, and duplication of small business assistance programs can cause expensive overlapping of services. In many cases, regional partnership organizations consisting of local governments can play a significant role managing patterns in regional economic development (National Association of Regional Councils 1987).

For instance, the regional partnership organization, West Coast, presents an interesting organizational solution to multi-jurisdictional competition and duplication. The metropolitan area which surrounds the cities of Eugene and Springfield, Oregon, established two inter-jurisdictional organizations to better strengthen individual efforts. One is the metro partnership organization, a quasi-public joint venture between two cities and their chambers of commerce that seek to attract industries to the metropolitan area that are appropriate to the inherent strengths and weakness of the local economy. The other is Business Assistance Network Group (BANG), which coordinates the efforts of the cities' various small business assistance programs as well as the efforts of the state's small business development center. These regional partnership organizations can significantly reduce the cost induced by inter-local competition while increasing the efficiency of development activities by playing a role as "network broker"[9] (Kwon 2008; Provan & Milward 2001).

However, occasionally the direct benefits of economic development policies in regional partnerships return primarily to certain local governments or business elites while the costs are spread over a large number of individual actors. Therefore, they may organize themselves and lobby for their interests independently (Olson 1965; Peterson 1981).

2.3.2 Regional Governance of Local Economic Development

Existing literature reviews on regional governance of local economic development can be summarized in two competing models among local governments. First, the Tiebout model (1956) asserts that cities in a metropolitan area or region compete with one another for residents and businesses. It assumes that there is an optimal amount of residents and businesses for which communities produce a bundle of public goods and services at the lowest average cost. A community below the optimal amount tries to attract the residents and businesses within the community (Olberding 2000). The Tiebout-based models, and as "inter-jurisdictional competition" models or "public choice" models, contend that competition is efficient because it allows individuals and firms to choose cities and counties that offer the services and taxes which closely match their preferences (Epple & Zelenitz 1981; Olberding 2000; Roeder 1994; Tiebout 1956). Despite its theoretical contribution to understanding inter-jurisdictional competition, the model has been criticized by political scientists and economists. They maintain that the individual status of family, finances and jobs might reduce the movement of residents as well as the Tiebout model did not explain the various political actors, organizations, and processes that were involved in incorporation (Saffell & Basehart 1997; Lyons, Lowery, & DeHoog 1992; Lowery & Lyons 1989; Olberding 2000; Peterson; 1981; Wong 1988).

[9] Marsden (1982) defines "network broker" as an intermediary actor who facilitates transactions between other actors lacking access to or trust in one another (p.202).

Second, the regional model of local economic development affirms that cities and counties within a regional boundary are interconnected economically and socially. Some urban scholars argue that a small number of local governments in economic scale provides more political accountability, enables more equitable treatment of all citizens, and allows greater opportunity to address significant urban problems (Lyons, Lowery, & DeHoog, 1992). There are three reasons that interdependence among local governments in a metropolitan region has strengthened during last two decades. The first is socioeconomic linkages among local governments in a region have strengthened. Second, an increasing number of citizens have a regional lifestyle. Third, inter-jurisdictional issues and problems have grown in number and intensity (Olberding 2000).

Unlike the competition model, supporters of the regional model have asserted that the best outcome is achieved when local governments recognize their interdependencies and act in a coordinated way (Wallis 1994; Peirce 1993; Grell & Gappert 1992; Barnes & Ledebur 1991; Dodge 1990; Olberding 2000, 2002). Feiock (2004, 2007, 2009) and his colleagues state that positive spillovers of local economic development activities can be obtained by creating a voluntary marketing cooperation or a tax base sharing arrangement. In addition, they suggest that local governments need to minimize transaction costs from the following five sources: bargaining costs, information costs, agency costs, division costs and enforcement costs. For successful voluntary bargains in a jurisdiction, local governments are able to overcome these transaction cost barriers by crafting mutually beneficial accords through inter-local cooperation.

As noted in the two models, multiple institutional and organizational vehicles are available for advancing regional governance. They include not only voluntary networks of bilateral and multilateral contracting among jurisdictions, but also local governments, regional partnership organizations, and private businesses. Traditional economic development strategies had focused on building better business climates, offering various tax incentives and competitions among local governments, like a true economic market. However, realistically local governments have operated in a quasi market by virtue of political considerations. Cities and counties in a region should work together in order to address common problems in the boundary. Also, public administrators, economic development organizations, and institutions have to coordinate regional local government networks of the local governments, and settle division-of gain problems in joint action (Feiock 2002, 2004, 2007, 2008). Thus, regional approaches to local economic development have become increasingly appropriate in the United State.

CHAPTER 3

THEORETICAL FRAMEWORK

Studies of local government structure, urban policy making, and implementation of economic development program suggest various theoretical approaches. Why do local governments choose certain institutional arrangements for the promotion of local economic development? What accounts for institutional specific choice and change in the organization of local economic development programs? There is evidence that localities vary in the way they organize local institutions in order to perform their economic development activities and programs within local communities (Green et al).

Fleischmann and Green (1991) investigated the economic, social, and political factors associated with the location of local agencies to promote economic development. Steinaker (1991) argues that political concerns motivate public officials in policy process and if strong independent agencies are responsible for specific interests in a community, economic development policies will reflect them more accurately. In an experimental study, Rubin (1986) found that the emergence of economic development groups increased incrementally the number of economic development activities in which communities were engaged. Wood's study (1993) suggested that with occupying a unique niche in the local network, many local development organizations have played more various roles than local governments. Humphrey and his colleague (1988) found that large organizations and those more tied to other organizations make a greater effort to promote economic growth.

Based on existing theories, this study introduces three theoretical approaches to capture institutional choice and change in local economic development organizations. Traditional organizational and institutional theories, interest group theories, and network theories provide critical explanations for the theoretical framework of this dissertation.

3.1 Traditional Approach of Institutional Choice and Change

Developing the correct organizational form is just as important as determining an economic development strategy. The form as well as the staffing will depend on the resources as well as the situation.

The task of explaining how organizational structures take shape and change over time requires a more unified theoretical framework than has typically been formulated. Fombrun (1986) asserts that organizational structure is understood as a temporary configuration of infrastructure, sociostructure, and superstructure. Infrastructure defines the underlying map of interdependencies of an organization as it struggles to engage in and maintain its activities over time (Thompson 1967). Sociostructure encompasses both the administrative structure of an organization and its social architecture. Finally, superstructure distinguishes the ideational side of the organization, the symbolic representations and interpretations of collective life that come to be widely shared by participants. In Thompson's view, organizational structure is an instance in a dynamic process of structuring that imbues action with meaning. Frederickson (2004) contends that local governments are the collective institutions that they build for themselves, through institutional, economical, and social terms. Just as people build their physical houses, and adapt and remodel them, governments build or choose their institutions and governmental jurisdictions. The processes of building, adapting, and remodeling the institutions of local government are dynamic, responding to changing needs, circumstance, and values.

Traditional organization theories suggest organizational forms are contingent on the nature of work and the exogenous environment (Nickerson & Zenger 2002). Donaldson (2001) introduces contingency theory by stating that "organizational effectiveness is achieved by matching organizational characteristics to contingencies which are any variables that moderate the effect of organizational characteristics on organizational performance (p.7)." Fiss (2007) mentions that "configurational approaches to organization are based on the fundamental premise that patterns of attributes exhibit different features and lead to different outcomes depending on how organizations are arranged (p.1181)." Through the perspective of organizational ecology theory, Hannan and Freeman (1977) state that "when the environment shifts uncertainly among states that place very different demands on the organization, and the duration of environmental states is short relative to the life of the organization, populations of organizations that specialize will be favored over those that generalize. This is because organizations that attempt to adapt to each environmental outcome will spend most of their time adjusting structure and very little time in organizational action directed at other ends (p.958)." Coase (1937) defines the firm as "the system of relationships which comes into existence when the direction of resources is dependent on the entrepreneur. Therefore, we can think of a firm as getting larger or smaller based on whether the entrepreneur organizes more or fewer transactions,"[10] Building on Coase's earlier study of transaction cost theory, Williamson (1991) argues that transaction costs[11] can be diminished by organizational exchange through various non-market mechanisms such a bureaucratic administration.

Although there are different logics of assumptions, the theories written above employ the notion of contingent fit where organizational modes are matched and shaped to the nature of the organization, the environmental condition or market exchange strategy. Based on the logic of these theories, organizations in stable environments performing a stable set of activities will maintain stable organizational forms. Therefore, structural change must follow changes in the environment or changes in the underlying activities being performed (Nickerson & Zenger, 2002). For example, Park (2005) says that intergovernmental homogeneity in economic and demographic features across jurisdictions indicates potential common interest and service preferences. State level rules, internal demands and exogenous context such as geographic configuration of government units and their physical, demographic, and social characteristics shapes the payoffs of cooperation for citizens and their governmental agents.

North (1990) argues that organizations are groups of individuals bound by some common purpose to achieve objectives. So, the formal and informal constraints and incentives that accompany an organization's structure, policies and procedures collectively make up the institutional context that molds and shapes the institutional matrix, and how that organization goes about shaping resources from its external environment. Eggertsson (1996) builds on North's work to argue that transaction costs and property rights are critical for explaining institutional change. The "property rights" model would suggest that regional approaches to development organization emerge in the face of collective regional economic and employment problems.

[10] Coase says that the size of the firm is dependent on the costs of using the price mechanism, and on the costs of organization of other entrepreneurs. These two factors together determine how many products a firm produces and how much of each product.

[11] Williamson (1979) refers to the uncertainty in determining appropriate prices, the difficulty in monitoring enforcing post-contractual performance, and the necessity of specialized investments as major factors of transaction cost.

Maser (1989) argues that local institutions and charter provisions result from a constitutional contracting process where citizens seek to obtain collective benefits but also construct safeguards to reduce risks.

In addition, it is necessary to understand the decision processes and structures of political organizations that produce formal rules. Current choice and changes in formal institutional arrangements over time reflect the power of the rule makers, who are frequently compelled by transaction costs to select institutions that do not maximize the size of the national pie and forgo arrangements that theoretically could make everyone better off (North 1981).

Alston (1996) explains that institutional change can be thought of as the result of supply and demand forces in a society when we consider demanders as constituents and suppliers as the government. Arguing that institutional change results from the bargaining actions of demanders and suppliers, he describes three pure cases of institutional change. The first is institutional change as endogenous to the system but exogenous to individual demanders and suppliers. It means that institutional change is not seen as a choice variable for any individual but is the result of the aggregation of the preferences of individuals for change. Some laws or rules are the result of a general consensus that the new law is the right thing. The second is institutional change as endogenous to the certain demanders. He asserts that, in this case, the analyst must specify who the demanders are for the status quo or institutional change, and needs to know who has the political power to demand change or maintain the status quo and what are the incentives to lobby for change. The third is institutional change as endogenous to the suppliers. In this case, the analyst must specify the scope for discretion faced by the suppliers of institutional change, usually government actors. Where a dictator has a firm command over her constituents, the scope may be nearly absolute. On the other hand, constituents may have many ready substitutes for a ruler, and monitoring the behavior of rules is easy, resulting in little independent discretion for the supplier of change.

In sum, organizational choice of local governments should match environments, market strategies, and exchange conditions differently in functionality. Institutional changes in local economic development organizations can be explained as responses to the changes of internal and external environment surrounding the communities and the requests of constituents to adapt themselves to a new environment.

3.2 Political Approach of Institutional Choice and Change

The public administration field has demonstrated diversity in approaches to research. Unlike traditional organization theories, Terry Moe (1994; 1991; 1990) tries to integrate politics and public administration, as a new institutional approach, especially advocating that a public organization basically has political aspects such as bargaining, negotiating, and temporary interests in their characteristics. He argues that public officials' action in the decision-making process is not economical behavior but political, because the details of structure, personnel, location, oversight and funding in public organizations are determined through specific acts of public authority. Also, in his view, there is clearly a contentious politics of structural choice which determines who holds public authority and how to exercise it, because public organizations are important precisely for programmatic performance and the incidence of costs and benefits across social groups and interest groups against them.

To capture institutional choice and change in local economic development organizations, we bring a political market approach embracing interest group theory and property rights together. This approach explicitly takes into account the efforts of private interests to secure favorable organizational arrangements in the political arena. The demanders of change in development organizations are private interests in society, and the suppliers are the government authorities (Feiock 2006; Lubell et al 2004; 2009).

According to interest group theory, the participants in politics are regarded as utility maximizers operating under different institutional constraints (McCormick & Tollison 1982). Bernstein (1955) says that, in the relationship between interest groups and public organizations, regulatory agencies face diffuse interests that favor regulations and concentrated interest groups that oppose it. Soon after an agency is created, the public may lose the diffuse interest, because gradually the regulatory agency would adopt a favorable position toward its most powerful constituent. Brudney and Hebert (1987), and Abney and Lauth (1986) find in their research that public officials perceive interest groups to be one of the most important sources of information and power. Therefore, they posit that public officials cannot help considering dominant interest groups when setting priorities for their organizations, and managing decision making for interests (Nicholson-Crotty & Nicholson-Crotty 2004).

In a similar vein, property rights theories induce that institutions appear in response to scarcity and changes in relative price (Alchian & Demsetz 1973; Feiock 2009; Libecap 1989;

North 1990). Libecap's book (1989) "Contracting for Property Rights" suggests a new theoretical view to students studying organizational change and choice. Basically, property rights provide an economic incentive system to shape resource allocation for regulatory agencies. Distributional conflicts in property rights involve political risks and therefore politicians can propose regulations that offer only limited relief from economic inefficiencies. Davis and North (1971) argue "there is the possibility of nested profits that can not be captured within the existing arrangement structure that leads to the formation of a new institutional arrangement (p. 39)."

Interest group demands are driven by economic changes described by the property rights perspective, such as unemployment, economic disparities or environmental problems resulting from growth. In return for political resources, elected officials will alter institutional rules that affect the utility of different social interests, and political transactions will be characterized by the elected official's efforts to deliver durable benefits to supporters. Frant (1996) asserts that we have to recognize political opportunism as a critical variable when designing public organizations. In addition, he argues that politicians' desire for reelection is a high-powered incentive in the public sector and, in such an exchange, electoral support is exchanged for the private benefits that result from a policy change (Feiock 2009). Through the political exchange, Horn (1997) introduces several types of transaction costs caused by opportunities for public officials to obtain electoral support. First, bargaining or opportunity costs result from the time and effort expended in order to create a mutual agreement on policy details. Second, commitment problems are generated from the uncertainty of benefits that flow from policy decisions, threats to durable benefits resulting from amendment of policy rules by potential future leaders, or reduction of resources for enforcement. Third, agency costs are produced when administrators do not comply with the intentions of the enacting coalition in policy implementation. Fourth, information costs reflect uncertainty about the private costs and benefits in policy change on the constituent (Feiock 2009).

In sum, political market framework addresses the issues above by conceptualizing institutional choice and change as the result of a dynamic exchange process between the suppliers and demanders in a public administration arena (Alston 1996; Feiock 2009; Libecap 1989). The relative political powers of the demanders, and the willingness of government authorities to supply favorable policies to various interests, are important parts of the process. More naïve theories of property rights theory treat political institutions as largely transparent to underlying economic or political forces driving change. The political market perspective (Feiock 2002; Lubel et al. 2005; 2009) adds that political institutions are crucial mediators of political and economic forces. The "political market" extends the political economy theories of property rights (Alston 1996; Eggertsson 1990; Libecap 1989; Lubell et al. 2005) and assigns a central role to the structure of local government institutions as the arena in which political contracting occurs (Feiock 2002; Lubell et al. 2005; 2009). Some concentrated interests are better at organizing for collective action in public sectors than widespread interests, and so some groups pursuing the same interest are able to demonstrate policy preferences and participate actively in political decision-making (Eggertsson 1990; Riker 1982). For example Knott and Miller (1987) chronicle how civil service reforms resulted from the ability of powerful economic actors to lock in distributional advantage through reformed institutions.

In fact, the application of the political market approach is advanced as an explanation for institutional and policy choice focusing on local growth management and land use regulation. However, assuming Peter and Hogwood's (1985) statement "very often when government initiates a program an organization is also initiated; when governments want to change a policy they may also change the organization delivering the policy," we are able to apply it to institutional choice and change in local economic development organizations. Political institutions combine with the structure of interest organizations and the economics of a particular policy arena to determine the outcome of political contracting. Different types of political institutions will favor different types of interests, either enhancing or reducing the ability of interests to influence institutional and policy decisions. Moreover, the political and career incentives of local leaders have implications for their attentiveness to the level and timing of collective benefits and willingness to change institutions in organizations to implement the policies. A reciprocal relationship between demanders and suppliers in the political market is a crucial approach in explaining various organizational arrangements in local economic development.

3.3 Network Approach of Institutional Choice and Change

In explaining the structure of formal organizations, traditional organization theories pay attention to problems of coordination and control of work activities. Also, institution theorists maintain that endogenous and exogenous environments have constrained appropriate organizational form and behavior shared by members and groups of society (Tolbert 1985; Zucker 1977). In addition, advocators of network theory suggest that networks play significant roles in coordinating actions among decentralized actors and creating various organizational configurations among groups (Feiock et al. 2009; Meier and O'Toole 2002; 2003; Provan and Milward 1995; Schneider et al. 2003).

Originally, the network approach was developed in the field of sociology but, at present, it has been broadly applied to the whole social science field (Berry et al. 2004). In the social network perspective, actors including both individuals and groups are not independent, but interdependent. Also, such relational ties among the actors make material or non-material resources flow smoothly (Lee 2009). Recently, several scholars have studied the importance of network connection among local public officials for successful inter-local cooperation using the ICA (Institutional Collective Action) framework, and that regional organizations mediate the network relations among local governments to reduce transaction costs (Andrew 2006; Feiock 2004; 2007; 2009; Feiock et al. 2009; Kwon 2009; Lee 2009).

In their research, Scholz, Feiock and Ahn (2005) discriminate two layers from networked relationships. The first is the network by which local government officials individually engage in communication with each order and exchange information. The structure of these contacts among the officials composes a "resource network." Repeated interactions within such a structure produce individual or structural social capital,[12] and the social capital can be a critical resource in resolving commitment problems and institutional friction, lessening transaction costs, and promoting flow of information in communities and organizations (Lee 2009; Ostrom 1998; Park 2005; Park & Feiock 2003). In detail, Putnam (1993) introduces the features of individual and structural social capital. Basically, they facilitate economic and community development much more easily. Individual social capital generated in the process of cognition is reinforced by trust, shared norms, reciprocity and recognition and it contributes to mutually-beneficial collective action. Park (2005) argues that information makes strategic connections for economic development possible among local governments, saying individual participation in associational networks can increase the availability of information as well as decrease its cost. On the other hand, structural social capital stresses the rules, roles, and networks which facilitate information

[12] Garcia (2006) defines "social capital" as features of social organization, such as networks, norms, and trust, which facilitate coordination and cooperation for mutual benefit.

sharing, decision-making, and collective action through embedded relations with other social structures. In other words, it focuses on the overall pattern of relationships inside and outside organizations encompassing rules of law, formal institutions and network structures (Grootaert & VanBastelaser 2001). Lubell and Scholz (2001) suggest that reciprocity in networks among governmental actors is necessary to overcome collective action problems and to achieve sustainable collective action in regional governance.

The second layer of networks includes more legally formal and contractual ties among local government units. The existing inter-local structure composes a "contract network" among local governments, and these ties would stipulate actions of parties as well as the benefits and cost of actors (Park 2006). In his dissertation, Kwon (2009) asserts that regional organizations based on contracts among local governments are anticipated to complement self- organizing mechanisms because they provide critical resources that reduce the transaction costs in inter-local cooperation for regional issues such as information, administrative resources, and social capital.

Resource dependency theory suggests an additional perspective of network approach on organizational environments, organizational behaviors, and structural emergences. Various organizational configurations and forms are caused by resource scarcities and they are renovated in the aim of acquiring alternative resources (Sherer & Lee 2002). Pferffer and Salancik (1978) argue that the environment encompassing organizations is conceptualized in the relationships between the focal organization engaged in direct exchanges and other organizations. A standardized administrative structure shows efforts to secure a stable flow of resources and reflects efforts to manage uncertainties and problems occurring in the process of exchange transactions. Tolbert (1985) states:

> When an organization enters into an exchange relationship that runs counter to institutionalized patterns, however the maintenance of this relationship will generally require intensive administrative effort. Increasing dependence will be directly associated with the proliferation of administrative offices to manage the relationship. Thus, the institutional environment defines the conditions under which increased dependency leads to administrative differentiation. Formal offices are created to serve a directly functional role in negotiating and managing the demands and problems accompanying the relationship (p. 2)."

The existing structure among local organizational units constitutes a contract network. The position of a government in both the resource and contract networks is expected to influence the transaction costs and benefits of cooperative economic development activities. Previous alliances shape new alliances through information about current or potential partners' capabilities and trustworthiness, timing and referrals (Burt 2005; Scholz, Feiock & Ahn 2005). Network approaches on institutional choice and change in local economic development organizations provides critical clues explaining the emergence of certain organizations and entrepreneurs as well as the movement of more effective organizational arrangements.

3.4 Integrated Approach of Institutional Choice and Change in Local Economic Development Organization

How do local governments and communities arrange themselves to promote economic development? Various organization and institution literature point out that institutional choice and change occur as organization-level governing structures are matched with internal or external environments surrounding the communities, political market strategies between interest groups as demanders and governments as suppliers, and intergovernmental relationships among local governments.

Based on contingency theory, organizational ecology theory, and transaction cost theory, organizations in steady environments performing a stable set of activities will maintain uniform organizational forms, and structural change would follow changes in the environment or changes in the underlying activities being performed (Donaldson 2001; Hannan and Freeman 1977; Nikerson & Zenger 2002; Williamson 1991). Institutional choice and change in local economic development organizations can be explained as responses to the changes of internal and external environments surrounding the communities and the requests of constituents to adopt themselves to a new environment.

In political approaches, interest group theory describes that the participants in policies are utility maximizers operating under different institutional constraints (McCormick & Tollison 1982). Public officials cannot help considering dominant interest groups when setting priorities for their organizations, and managing decision making for interests (Nicholson-Crotty & Nicholson-Crotty 2004). In a similar vein, the property rights theory provides an economic incentive system to shape resource allocation for regulatory agencies. Nested interests cannot be caught in the existing organizational structures that lead to the new institutional arrangement (Davis and North 1971). Finally, institutional choice and change are the result of a dynamic exchange process between the suppliers and demanders to maximize their interests and guarantee their properties in a public administration arena (Alston 1996; Feiock 2009; Libecap 1989).

Resource dependency theory suggests a perspective on the network approach in new structural emergences and configurations. Various organizational forms are caused by resource scarcities and they are renovated in the aim of acquiring alternative resources (Sherer & Lee 2002). In addition, networks of relationships among local government units provide a critical mechanism for overcoming transaction cost barriers to organizational change (Feiock et al. 2009; Meier and O'Toole 2002; 2003; Provan and Milward 1995; Schneider et al. 2003). Finally, the network approach on institutional choice and change in local economic development organizations provides critical clues explaining the emergence of certain organizations and entrepreneurs as well as the movement of more effective organizational arrangements.

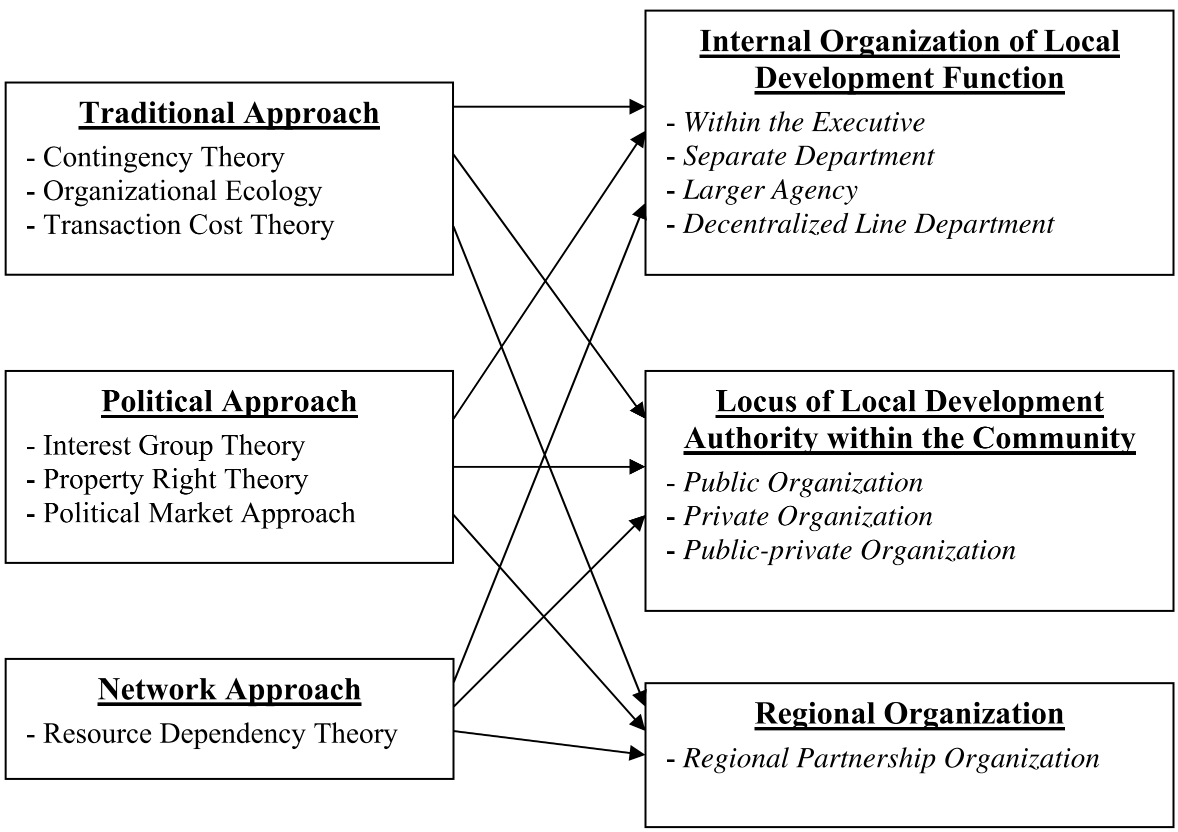

Figure 3.1. Theoretical Framework of Institutional Choice and Change in Local Economic Development Organizations

Thus, based on the approaches described above, this study expects three sets of factors to shape choices and changes in economic development organizations: the characteristics of the community and change in economic and environmental conditions that influence preference for or against new development; the relative power of pro-growth development interests and environmental interests, and political institutions; networks that shape the preference of local government.

CHAPTER 4

RESEARCH DESIGN

Chapter 3 introduced various theories and integrated approaches to analyze institutional choice and change in local economic development organizations. Based on the conceptual frameworks, this dissertation investigates how characteristics of communities, political institutions and network structures influence various arrangements of internal structures of county governments, active organizations of communities, and the participation of regional partnership organizations in county economic development.

A specialized and separated department dedicated to growth promotion brings a technocratic orientation to local economic development. It is argued to be more efficient and accountable for economic development than other types of departments such as "within the executive," "a larger agency," and "a decentralized line department" in county government structure, and also it matches specific economic conditions and public needs effectively in the community. On the other hand, a larger agency produces a more coordinated effort in the various projects connected with different divisions or other local governments (Feiock & Kim 2001; Fleishmann & Green 1991; Wilson 1999). The existence of active quasi-public organizations for economic development within the local community may help local governments meet more fair costs, responsibilities and returns than independently-operated public organizations or private organizations, as well as reach the development outcomes faster (Rainey 2003; Stainback 2000). Finally, voluntary participation of county governments in regional organizations reduces the costs of inter-local competition through coordination, and increases the efficiency of development activities by sharing resources with other local organizations (Kwon 2008; Lee 2009; Olberding 2002).

Prior to statistical analyses, this chapter introduces independent variables for the study, hypotheses, units of analysis, data collection, and then describes analytical methods and models to capture the relationships between institutional choice and change in local economic development organizations and various community characteristics in counties.

4.1 Variables and Hypotheses

4.1.1 Characteristics of Community

<u>Economic Distress</u>

Economic distress is one of the most obvious kinds of explanations used to stimulate economic development in communities, and makes local governments take actions to combat such a stress by suggesting and implementing policies, incentives and programs (Clingermayer & Feiock 1990; Reese 1994). The main role of local government in economic development is to encourage the various business interests in the community, and inform the business processes to meet various criteria for efficiency, effectiveness, and legitimacy (Andre 1994). In nature, demand-side[13] and supply-side[14] activities used to foster new capital and development in local governments tend to be more entrepreneurial (Reese 1994). Therefore, economic conditions affect local governments' decision in choosing and changing local economic development organizations which implement various economic development activities. Particularly, Kwon (2008) argues that needs resulting from economic distress can explain the reason why local governments prefer specific types of organizational arrangements to reduce economic stress and obtain economies of scale. Institutional choice and change in local economic development organizations are a reaction of local governments to correspond with public and business demands, and local governments spurred by economic stress transform their organizations into appropriate arrangements to promote economic growth.

In their research, Clingermayer and Feiock (1990) argues that the indicators of decline in population and economic base more readily translate into demands for economic development that into fiscal measures. Population decline puts local governments under pressure of fewer resources from a shrinking tax base. Also, a higher poverty rate stimulates local governments from public demands. Finally, I expect population and economic decline will result in choice and change of county governments in local economic development organizations.

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[13] Demand-side techniques include business incubators, venture capital financing, research and development support, targeting of incentives, small business support, and job creation strategies designed to promote growth throughout the local market (Reese 1994, p. 29).

[14] Supply-side techniques include tax incentive systems, debt financing schemes, infrastructures investment, regulatory policy, tax increment financing arrangements, enterprise zones, and land and site development (Reese 1994. p. 29).

H1-a-1: Counties having higher population decline are more likely to choose a separate department in their internal structure for local economic development.

H1-a-2: Counties having higher population decline are more likely to change their internal organizations for local economic development.

H1-b-1: Counties having higher population decline are more likely to choose public-private organizations as the most active actor for local economic development.

H1-b-2: Counties having higher population decline are more likely to change the most active groups for local economic development.

H1-c: Counties having higher population decline are more likely to participate in regional partnership organizations, and participate actively in regional partnership organizations for local economic development.

H2-a-1: Counties having higher poverty rate are more likely to choose a separate department in their internal structure for local economic development.

H2-a-2: Counties having higher poverty rate are more likely to change their internal organizations for local economic development.

H2-b-1: Counties having higher poverty rate are more likely to choose public-private organization as the most active actor for local economic development.

H2-b-2: Counties having higher poverty rate are more likely to change the most active groups for local economic development.

H2-c: Counties having higher poverty rate are more likely to participate in regional partnership organizations, and participate actively in regional partnership organizations for local economic development.

4.1.2 Political Constraints

Interest Groups

Interest groups provide public officials important sources of information and power. Therefore, local officials cannot help considering strong interest groups in the community when they decide on the priority of various policies, create new institutions, or restructure their organizations. The demands of a powerful development group or an environmental group in the local community can induce changes in public policies and changes of roles in local governments (Feiock 2006; Lubell et al. 2004; 2009). This approach to the relationship between local organizations and interest groups takes into account the influence of private interests to secure favorable organizational arrangements in the political arena.

Fleishmann (1986), and Gerber and Phillips (2004) point out that economic development groups promote consolidation to foster development by acquiring growth-generating infrastructure from local governments as well as building coalitions with community organizations. Development groups are well-organized to enhance their power to articulate demands of political actors, and the political actors give the groups advantages as rewards to transform their goals into economic development policies. Several scholars (Jeong 2004; Jeong & Feiock 2006; Logan and Molotch 1987; Lubell et al. 2009; Stone 1989) in their research mention that degree of cooperation between development groups and public officials in local economic development is a very critical factor in the economic growth machine. In general, development and construction groups are not only resistant to pro-environmental policies, but also push public officials to arrange organizational structures to be beneficial for them. Because choice and change of organizational arrangements to foster local economic growth are reactions to the demands of pro-development groups in the same way as economic development policy change and adoption, I expect that the counties with strong pro-development groups tend to choose or change their organizational configuration to be favorable to economic growth.

H3-a-1: Counties having a higher proportion of construction industries are more likely to choose a separate department in their internal structure for local economic development.
H3-a-2: Counties having a higher proportion of construction industries are more likely to change their internal organizations for local economic development.
H3-b-1: Counties having a higher proportion of construction industries are more likely to choose public-private organizations as the most active actor for local economic development.
H3-b-2: Counties having a higher proportion of construction industries are more likely to change the most active groups for local economic development.

H3-c: Counties having a higher proportion of construction industries are more likely to participate in regional partnership organizations, and participate actively in regional partnership organizations for local economic development.

Different from developers who highly utilize their private property, environmental groups tend to be less driven by narrow economic interests, and the units are pursued with broader-based citizen interests (Lubell et al. 2005; 2009). They reduce the conflict with opponents, cooperate with allies (Gray & Lowery 1995), and favor environmental regulations by governments (Bernstein 1955; Lubell et al. 2009).

Previous research suggests that communities having high socioeconomic status in income and education restrict growth by isolating themselves from low-income individuals in order to increase their property value. In addition, they place a higher value on environmental protection (Donovan and Neiman 1992; Ihlanfeldt 2001; Maser et al. 1977; Lubell 2009). In local economic development organizations, I expect that the counties with higher education and income levels tend to choose or change their organizational configurations to be cooperative with environmental interests, or use public organizations to regulate economic development activities directly.

H4-a-1: Counties having a higher level of personal income are more likely to choose an integrated larger agency in their internal structure for local economic development.
H4-a-2: Counties having a higher level of personal income are more likely to change their internal organizations for local economic development.
H4-b-1: Counties having a higher level of personal income are more likely to choose public organizations as the most active actor for local economic development.
H4-b-2: counties having a higher level of personal income are more likely to change the most active groups for local economic development.
H4-c: Counties having a higher level of personal income are more likely to participate in regional partnership organizations, and participate actively in regional partnership organizations for local economic development.

H5-a-1: Counties having a higher level of education are more likely to choose an integrated larger agency in their internal structure for local economic development.
H5-a-2: Counties having a higher level of education are more likely to change their internal organizations for local economic development.
H5-b-1: Counties having a higher level of education are more likely to choose public organizations as the most active actor for local economic development.
H5-b-2: Counties having a higher level of education are more likely to change the most active groups for local economic development.
H5-c: Counties having a higher level of education are more likely to participate in regional partnership organizations, and participate actively in regional partnership organizations for local economic development.

<u>Form of Government</u>

Traditionally, counties provided only services such as welfare, health, transportation, and justice. However, current county residents request a higher level of mandated service like hospitals, retardation services and animal control as well as a greater number of services like emergency, human resource, and defense services. (Benton 1991; 2002). Counties are one of the fastest-growing types of governments in United States, and they have embraced new roles and dramatic changes in various institutions (Cigler 1995). Economic development is one way that they can enhance and diversify the services and infrastructures, increasing or stabilizing their tax base (Lobao & Kraybill 2005; Pammer 1996; Streib et al. 2007).

Historically, county governments lacked central control to manage county operations because they originally stemmed from administrative subdivision of states. The fragmented executive[15] authority made them sometimes inefficient, ineffective and irresponsive. However, governmental reform in counties has been popular in choosing either a commission-administrator/manager or commission-elected executive/mayor form, instead of a traditional single commission type. These reforms are intended to bring centralization and professionalization necessary for successful local economic development (Benton 2002; Jeong 2004). Benton (2002) states that "under commission administrator/manager form, the appointed executive possesses powers equal to those of a city manager – setting the

[15] The commission form of government in a county is considered "unreformed government."

legislative agenda, controlling the budget, appointing department heads, and overseeing general county operations. In addition, the elected executive typically has the greatest power and usually has the ability to operate more independently from the commission (p. 473)."

Demand and supply of more intensive and broader services may motivate county governments to promote economic development effectively. Especially, because reformed governments in counties provide higher opportunities to initiate new economic development activities with more centralized authorities, I expect that the county governments of the commission-administrator/manager or commission-elected executive/mayor form tend to choose or change their organizational configuration to be favorable to economic growth.

H6-a-1: Counties with reformed forms of governments (commission-administrator/manager or commission-elected executive/mayor) are more likely to choose a separate department in their internal structure for local economic development.
H6-a-2: Counties with reformed forms of governments (commission-administrator/manager or commission-elected executive/mayor) are more likely to change their internal organizations for local economic development.
H6-b-1: Counties with reformed forms of governments (commission-administrator/manager or commission-elected executive/mayor) are more like to choose public-private organizations as the most active actor for local economic development.
H6-b-2: Counties with reformed forms of governments (commission-administrator/manager or commission-elected executive/mayor) are more like to change the most active groups for local economic development.
H6-c: Counties with reformed forms of governments (commission-administrator/manager or commission-elected executive/mayor) are more likely to participate in regional partnership organizations, and participate actively in regional partnership organizations for local economic development.

<u>Election Type</u>

A few recent studies have paid attention to legislative institutions playing a critical role in local governments' decision making for economic development. Ammons (2008) states that nonpartisan election in municipal ballots makes the elected politicians serve with the public in mind, while partisan politicians represent certain group interests. Also, Feiock and his colleague (1993; 2007) argue that the characteristics of city council members in an election type produce differences that shape the policy outcomes.

At-large council elections at the local level have been adopted broadly, even though local officials elected by districts were regarded as increasing their representativeness or responsiveness before the Progress Era (Kwon 2008). Generally, the council members elected by at-large are more supporters of the executive and pursue jurisdiction-wide interests for all citizens, however the councils elected by district would share the interests of specific constituencies who strongly support them (Clingermayer & Feiock 1993; Feiock 2007). Additionally, Kwon (2008) mentions that cities with an at-large council election system are relatively free from geographically intensive group interests, and as a result, they try to engage in cooperative efforts with other local governments to achieve efficiency gains in the jurisdiction. In the practical casework of South Carolina, Welch and Bledsoe (1988) found that at large election system in city councils have members with a city-wide view and with a lesser orientation toward certain group service than by-district.

Because county commissioners elected by at-large as compared to by-district are more diverse and more open to cooperative mechanisms, I expect that the counties under at-large election system tend to choose or change their organizational configuration based on the needs of the entire community.

H7-a-1: Counties having a higher percentage of commissioners by at large election are more likely to choose an integrated larger agency in their internal structure for local economic development.

H7-a-2: Counties having a higher percentage of commissioners by at large election are more likely to change their internal organizations for local economic development.

H7-b-1: Counties having a higher percentage of commissioners by at large election are more likely to choose public-private organizations as the most active actor for local economic development.

H7-b-2: Counties having a higher percentage of commissioners by at large election are more likely to change the most active groups for local economic development.

H7-c: Counties having a higher percentage of commissioners by at large election are more likely to participate in regional partnership organizations, and participate actively in regional partnership organizations for local economic development.

4.1.3 Network Structure

Intergovernmental Network

Frederickson (1997) argues that institutions and a wide range of types of organizations are linked to each other and engaged in various local government activities. More specifically, leading scholars in public management increasingly have paid attention to identifying inter-organizational networks[16] as important institutional elements of governance (O'Toole 1997). Agranoff and McGuire (1998) emphasize the networks among organizations and state that "contemporary public management lies not simply in the extent to which networks are the primary organization setting for designing and executing policy, but more importantly, in the number of types of networks that exist within the policy-making realm of a single city." In recent article, O'Toole and Meier (2004) state that "characteristics of network in public management may influence a combination of agencies of the same government, links among units of different governments, ties between public organizations and for-profit companies, and public or nonprofit connections, as well as more complex arrangements including multiple types of connections in a larger pattern, and organizational patterns for intergovernmental relationship (p. 471)." Actually, some articles point out that local government agencies have spent a great deal of time negotiating and arranging contracts and agreements with other local organizations to operate economic development activities effectively in their linked networks (Agranoff & McGuire 1998; Fosler 1992). Because of increased responsibility of local governments for citizens and greater resource dependence among other local organizations, network approaches have applied to various public management and public policy fields (Agranoff & McGuire 1998; Provan & Milward 1991; O'Toole 1997; O'Toole & Meier 2004; Scholz, Feiock & Ahn 2005).

Increasing dependence might be related to organizational rebuilding in local governments. Perhaps, in the network settings of local economic development, economic

[16] Alter and Hage (1993) define networks: "networking is the act of creating and maintaining a cluster of organizations for the purpose of exchanging, acting, or producing among the number organizations."

development programs' success will require collaboration and coordination with other local organizations through the mechanisms of strategic interdependence. Podolny and Page (1998) stress the advantages produced through increased inter-governmental networks, which make local governments foster organizational learning, attain legitimacy of organizational action, provide large economic scale, facilitate management of resource dependencies, and restrict on opportunistic behavior. Especially, close or strong ties shown in densely-clustered networks among local actors are necessary to overcome collective action problems and to achieve sustainable collective action for local economic development (Coleman 1988; Lee 2009; Lubell & Scholz 2001). Finally, in local economic development, the benefits of closed networks motivate local governments to hold and transform their internal or external arrangements of organizations in order to communicate easily with other local economic development organizations, and encourage coordination for solving collective action problems. In this sense, I expect that the county governments which have closer inter-local networks tend to choose or change their organizational configurations to be favorable to cooperative and coordinative arrangements with other local economic development organizations.

H8-a-1: Counties having more inter-local revenue are more likely to choose an integrated larger agency in their internal structure for local economic development.
H8-a-2: Counties having more inter-local revenue are more likely to change their internal organizations for local economic development.
H8-b-1: Counties having more inter-local revenue are more likely to choose public-private organizations as the most active actor for local economic development.
H8-b-2: Counties having more inter-local revenue are more likely to change the most active groups for local economic development.
H8-c: Counties having more inter-local revenue are more likely to participate in regional partnership organizations, and participating actively in regional partnership organizations for local economic development.

H9-a-1: Counties having more inter-local expenditures are more likely to choose an integrated larger agency in their internal structure for local economic development.

H9-a-2: Counties having more inter-local expenditures are more likely to change their internal organizations for local economic development.

H9-b-1: Counties having more inter-local expenditures are more likely to choose public-private organizations as the most active actor for local economic development.

H9-b-2: counties having more inter-local expenditures are more likely to change the most active groups for local economic development.

H9-c: Counties having more inter-local expenditures are more likely to participate in regional partnership organizations, and participate actively in regional partnership organizations for local economic development.

4.2 Unit of Analysis and Data Collection

This dissertation research focuses on county governments in United States, and more specifically the local economic development organizations activated in counties. I tried to contact the administrative offices of county administrator/manager/mayor, or the department in charge of economic development within the county government to confirm their current organizational arrangements and also those of the past 10 years. To get the contact information of the county administrator, manager, or director of the department in the county, I had contacted a research associate at the National Association of Counties (NACo). NACo provided their e-mail and mail addresses for about 1,020 counties in United States. The data list included both metropolitan and non-metropolitan counties in 48 states, and with this information, I conducted three waves of email surveys[17]/[18] and twice mailed surveys[19] for data collection of key variables (see Appendix A for cover letter and Appendix B for final survey instrument). The e-mail and paper surveys asked respondents about three dimensions of economic development organization in the local community currently and 10 years ago: 1) Where is/was the department for economic development activities located in an executive office, a separate department, a line department, integrated within a large agency, or a hybrid form? 2) Who possesses/possessed the main locus of development authority in the community: public organizations, private organizations, or

[17] This project was approved by Human Subject Committee in July 17th, 2008 (HSC Number: 2008.1350).
[18] I used the "SurveyMongkey (www.surveymonkey.com)" internet survey tool, and sent the questionnaires to recipients three times (11/06/08, 11/17/08, 11/25/08). Finally, I had 212 responses from the email surveys
[19] I sent the questionnaires to recipients two times (11/29/08, 01/06/09). Finally, I had 288 responses from the mail surveys.

quasi-public organizations? 3) Are there/were there regional partnership organizations in which the county government participates/participated for local economic development?

After eliminating incomplete surveys, the final response rate was 49.0% (500/1020). The rate in urban counties[20] was 48% (241/500), and the rate in rural counties was 52% (259/500) in the usable samples. The final data set included 41 states[21] in United States. The number of responses in each state is shown below Table 4.1. The counties (58/11.6%) in the State of Virginia had the highest responses, and the counties (44/8.8%) in the State of North Carolina had the second highest responses in the surveys.

Table 4.1. Description of Survey Response by States

State	**Number (%)**	**State**	**Number (%)**	**State**	**Number (%)**
AK	5 (1.0%)	LA	7 (1.4%)	NY	14 (2.8%)
AL	21 (4.2%)	MA	3 (0.6%)	OH	20 (4.0%)
AK	1 (0.2%)	MD	14 (2.8%)	OR	6 (1.2%)
AZ	9 (1.8%)	ME	4 (0.8%)	PA	12 (2.4%)
CA	17 (3.4%)	MI	16 (3.2%)	SC	30 (6.0%)
CO	14 (2.8%)	MN	15 (3.0%)	SD	1 (0.2%)
FL	40 (8.0%)	MO	3 (0.6%)	TX	3 (0.6%)
GA	38 (7.6%)	MS	13 (2.6%)	UT	1 (0.2%)
IA	1 (0.2%)	NC	44 (8.8%)	VA	58 (11.6%)
ID	1 (0.2%)	NE	1 (0.2%)	WA	6 (1.2%)
IL	11 (2.2%)	NH	1 (0.2%)	WI	9 (1.8%)
IN	4 (0.8%)	NJ	10 (2.0%)	WV	15 (3.0%)
KS	10 (2.0)	NM	15 (3.0%)		

[20] There are three common ways to define "metropolitan" and "non-metropolitan." One of the three common federal definitions is that developed by the White House's Office of Management and Budget (OMB). The other two common Federal definitions are those developed by the Department of Commerce's Bureau of the Census and the Department of Agriculture's Economic Research Service. However, unfortunately there is not one universally accepted definition of "urban county" and "rural county." Many counties included in Metropolitan and Micropolitan Statistical Areas, and many other counties contained both urban and rural territory and populations. Here, I used the OMB definition which defines Metropolitan Statistical Areas (MSA) as being one or more counties satisfying the basic requirements: 1) one city with 50,000 or more population; 2) an urbanized area (as defined by the U.S. Bureau of the Census) with at least 50,000 population and a total population of at least 100,000 in the counties comprising the MSA. Each MSA must include the county in which the central city is located and additional contiguous or fringe counties, if they are economically and socially integrated with the central county. Counties included in MSAs are considered "urban," otherwise "rural" (http://www.whitehouse.gov/omb/inforeg_statpolicy/#ms).

[21] CT, DE, HI, MT, ND, OK, RI, TN, VT, WY did not respond the survey.

Table 4.1-Continued

State	Number (%)	State	Number (%)	State	Number (%)
KY	2 (0.4%)	NV	5 (1.0%)		

Measures of the independent variables are available through the original surveys and archival data. The effects of community characteristics, political institutions, and intergovernmental networks on organizational arrangements in counties are tested using data from the surveys conducted for this dissertation and data from *Census of County Business Patterns* in 2003, *Census of Government Finances* in 2002, and *Census of Population* in 1990 and 2000.

The variables, measures, and sources are summarized below in Table 4.2. The proportion of the construction industry that indicates strength of pro-development groups in the county was collected from *Census of County Business Patterns* in 2003. The *County Business Patterns*, as an annual series that provides sub-national economic data by industry, and covers most of the country's economic activity. Currently, *County Business Patterns* are published primarily to the 2002 *North American Industry Classification System* (NAICS) including NAICS sectors.[22] Inter-governmental revenue and inter-governmental expenditures for network variables are obtained in the 2002 *Census of Government Finances*. This Census is taken at 5 years intervals, and includes information on how much each local government received in intergovernmental grants from other local governments and how they expended them with other local governments within the year. The Bureau of Census (2006: 4-28) defines inter-local revenue as "amounts received from local governments for use in performing specific functions, for general financial assistance, or share of tax proceeds," and it includes "financial support from other local governments for activities administered by recipient locality including its dependent agencies; state aid channeled through other local governments which have some discretion as to its distribution; reimbursements for services provided to other local governments (other than for utility services); and payments-in-lieu-of-taxes on other local governments' property." Also, the Bureau of

[22] The sectors are "Forestry, Fishing and Hunting, and Agricultural Support Services," "Mining," "Utilities," "Construction," "Manufacturing," "Wholesale Trade," "Retail Trade," "Transportation and Warehousing," "Information," "Finance and Insurance," " Real Estate and Rental and Leasing," "Professional, Scientific, and Technical Services," "Management of Companies and Enterprises," "Administrative and Support and Waste Management and Remediation Service," "Educational Services," "Health Care and Social Assistance," "Arts, Entertainment, and Recreation," and "Accommodation and Food Services." For more information on the County Business Patterns, visit the bureau of Census's website (www.census.gov/econ/cbp/intro.htm).

Census (2006: 63-70) describes inter-governmental expenditures as “amounts paid to other governments for performance of specific functions or for general financial support. It includes grants, shared taxes, contingent loans and advances, and any significant and identifiable amounts or reimbursement paid to other governments for performance of general services or activities. However, it excludes amounts paid to other governments for purchase of commodities, property, or utility services and for any tax levied as such on facilities of the government.” Demographic variables for analyses, population change, poverty rate, median income, and level of education, are collected from *Census of Population* in 1990 and 2000.

Table 4.2. Description of Variables Used in the Analysis

Dependent Variable (Measures)	**Sources**
1) Internal Organization type in Local Economic Development Functions	Mail Survey (2008)
- Office of the County Commission or Mayor (Within Executive)	
- Office of the County Manager / County Administrator (Within Executive)	
- A Single County Department Focused Exclusively on Economic Development (A Separate Department)	
- A County Department with Additional Responsibility (A Larger Agency)	
- Primary responsibility is divided among several offices or departments (Decentralized Line Department)	
2) Locus of Local Development Authority within the Community	Mail Survey (2008)
- County Government (Public Organization)	
- A Chamber of Commerce or Other Business Group (Private Organization)	
- Public-private Organization Focused on Your County (Public-private Organization)	
- Public-private Regional Partnership Organization (Public-private Organization)	
- A Council or Association of Governments in the Metropolitan Area (Public Organization)	
- An Agency of a City Government in This County (Public Organization)	

Table 4.2-Continued

Dependent Variable (Measures)	Sources
- Development District (Public-private Organization)	Mail Survey (2008)
- State or Federal Agency (Public Organization)	
3) Participation in Regional Partnership Organizations	Mail Survey (2008)
- Dummy Variable (Yes or No)	
Independent Variable (Measures)	**Sources**
1) Population Change (Population Difference Between 2000 and 2008)	Census of Population (2000, 2008)
2) Poverty Rate (Proportion below Poverty Rate)	Census of Population (2000)
3) Strength of Pro-developing Groups (Proportion of Construction Industry → Construction/Total Establishments)	County Business Patterns (2003)
4) Strength of Environmental Interests (Median Income)	Census of Population (2007)
5) Strength of Environmental Interests (Proportion of the Persons Having BA Degree or Higher Degree)	Census of Population (2000)
6) Form of County Government	Mail Survey (2008)
- Commission (Unreformed Government)	
- Council-administrator (Reformed Government)	
- Council-manager (Reformed Government)	
- Council-elective Executive (Reformed Government)	
7) Election Type (Percentage of Commissioners by At-Large Election → At-Large/Total Seats)	Mail Survey (2008)
8) Inter-governmental Network (Inter-local Revenue)	Census of Government Finance (2002)
9) Inter-governmental Network (Inter-local Expenditure)	Census of Government Finance (2002)
Control Variable (Measures)	**Sources**
1) Strategic Plan	Mail Survey (2008)
- Dummy Variable (Yes or No)	
2) Regional Competition (The Number of Neighbor Counties)	State Maps (U.S. Census)
3) Homogeneity (Betweenness of 1st Race and 2nd Race)	Census of Population (2000)
4) Tax Capacity (Own Resource Revenue)	Census of Government Finance (2002)

Table 4.2-Continued

Control Variable (Measures)	Sources
5) County Status (Metropolitan County or Non-Metropolitan County) - Dummy Variable (Yes or No)	Mail Survey (2008)

In addition, this study controls for other characteristics of the community, such as a strategic plan for the county development, regional competition, homogeneity, tax capacity, and county status (metropolitan or non-metropolitan) which can influence organizational choice and change for local economic development.

4.3 Analytic Models and Methods

This dissertation estimates two models to capture various organizational arrangements for economic development in local communities. One is an "organizational choice model" which indicates how community characteristics, political institutions, and intergovernmental networks influence current choices in 2009 among diverse organizational arrangements. The other is an "organizational change model" at two time points in 1999 and 2009, which analyzes the impacts of community characteristics, political institutions, and intergovernmental networks on organizational changes for county economic development.

Binomial and multinomial logistic analyses are used to estimate the choice models. These models provide a computationally convenient form to estimate the choice probabilities (Gujarati 2003). Perhaps, the binomial logistic regression is the most widely used for binary dependent variables. This estimates the probability that Y=1 in probability mass function, which determines how the distribution appears and that assigns a probability to each value of the discrete variable. The basic formula for estimating the probability when Y=1 consists of transforming the regression equation as follows:

$$P(Y=1) = 1/\{1+\exp[-(b_0 + b_1 X_1 + .. + b_p X_p)]\}$$

However, to be precise, the logistic regression equation does not directly predict the probability that the indicator (Y) is equal to 1. It predicts the log odds that an observation will have an indicator (Y) equal to 1. The odds is defined as the ratio of the probability that an event occurs to the probability that it fails to occur.

$$\text{Odds (indicator=1)} = P(\text{indicator=1}) / [1 - P(\text{indicator=1})]$$

$$\log(\text{odds}) = \text{In}(P / 1\text{-}P) = \text{logit}(P)\text{, so}$$

$$\text{logit(p)} = b_0 + b_1 X_1 + b_2 X_2 + b_3 X_3 + \ldots + b_k X_k$$

Essentially, in the odds, a number greater than one indicates a positive relationship between an independent variable and the dependent variable. On the other hand, a number between zero and one indicates a negative association. The logistic regression coefficients show the change in the predicted logged odds of a dependent variable for a one-unit change in the independent variables (Hoffmann 2004; Hosmer & Lemeshow 1989; Kleinbaum 1994; Pampel; 2000).

Multinomial logistic regression is used to handle the case of dependent variables with more categories than two, and the categories that are mutually exclusive. The multinomial distribution is as many expected values as there are category outcomes. The probability mass function for this multinomial distribution is below:

$$\text{P}(X_1) = [\, n! / (\, n_1! * n_2! * \ldots n_r\,!\,)\,] * (\, P_1{}^{n}{}_1 * P_2{}^{n}{}_2 * \ldots * P_r{}^{n}{}_r\,)$$

P = Probability of Each Outcome

r = Number of Outcome

n = Frequency of Particular Observed Outcome

Basically, multinomial logistic regression is an extension of binary logistic regression which allows the simultaneous comparison of more than one contrast. To be precise, this regression analysis determines independent variables that associate with the odds of falling into one of the categorized groups (Hoffmann 2004). Approximately, it represents only the effects of independent variables on the relative probability of choices, not the absolute values across all alternative choices.

However, an alternative way, marginal effect estimation in multinomial logistic regression models makes it possible to compare the absolute values of the coefficients across all alternative choices. The marginal effects on the probabilities calculated by different equation are:

$$\delta_i = \frac{\partial P_i}{\partial x_i} = P_j\left[\beta_j - \sum_{k=0}^{J} P_k \beta_k\right]$$

This equation shows that every subvector of β enters every marginal effect, both through the probabilities and the weighted average that appears in δ. Chuang and Huang (2004) say "in order to properly determine the direct (rather than the relative) effect of an independent variable on the probability of choosing an alternative category, it is necessary for computing the partial derivative (marginal effect) of the probability of choosing an alternative with respect to the explanatory variable of interest, evaluated at the means of those independent variables." In the result tables, these estimated coefficients represent the change in the choice probability of each category with respect to a change in the independent variables (Chuang & Huang 2004; Greene 2000).

Extant work almost exclusively focuses on the aggregate level of policy tools, policy adoptions, or instrumental choices in economic growth. Also, this static approach is problematic because it cannot test dynamic explanations of policy changes. Because I am interested in the change of the organizational arrangements as well as the current choice among county economic development organizations, I need to measure the institutional arrangements at two points in time. For the change models, a panel design based on logistic regression that controls for county development organizations in place ten years earlier is employed to address this design limitation. Various organizational arrangements used in 1999 and 2009 were examined for the same sample of counties. This allows estimation of the changes of county economic development organizations in 2009, controlling for past choices of these development organizations (Feiock et al. 2003; Reese 1991; Reese & Fasenfest 1996).

4.4 Summary

This dissertation provides a more theoretical approach to organizational analysis and a more unified methodological approach in order to explain variations in structural arrangements for county economic development. I expect that characteristics of communities, political institutions and network structure influence institutional choice and change in county economic development organizations. Especially, political market approaches provide us a crucial framework to account for institutional choice and change, and such integration at the methodological level will permit the elaboration of a theoretical model that accommodates interest organizations in communities and administrative structures in county governments over time.

The first set of hypotheses links patterns of demographic change and economic distress to: 1) create a separate department specialized for economic growth in internal function; 2) foster reliance on a quasi-public development authority such as public-private partnerships; and 3) achieve active participation in regional partnership organizations for economic development.

The second set of hypotheses links the strength of pro-development relative to neighborhood interests and environmental interests to the: 1) creation of a separate department specialized for economic growth in internal function; 2) reliance on a quasi-public development authority such as public-private partnerships; and 3) active participation in regional partnership organizations for economic development.

The third set of hypotheses links the strength of environmental and neighborhood interests relative to developers to the: 1) creation of an organization to integrate county development functions in another office or agency such as a larger agency; 2) establishment of county government locus of control as a regulatory agency; and 3) active participation in regional partnership organizations for economic development.

The fourth set of hypotheses links reformed county government form such as commission-administrator, commission-manager or commission-elected executive to the: 1) creation of a separate department specialized for economic growth in internal function; 2) reliance on a quasi-public development authority; and 3) active participation in regional partnership organizations for economic development.

The fifth set of hypotheses links at-large election system to the: 1) creation of an organization to integrate county development functions in another office or agency such as a larger agency; 2) reliance on a quasi-public development authority; and 3) active participation in regional partnership organizations for economic development.

The sixth set of hypotheses links close inter-governmental networks to the: 1) creation of an organization to integrate county development functions in another office or agency such as a larger agency: 2) reliance on a quasi-public development authority; and 3) active participation in regional partnership organizations for economic development.

Several other factors shown to be important in previous studies are strategic planning, development competition, community diversity, tax capacity, and county size are controlled for in the analyses. Binomial and multinomial logistic analyses are used to estimate each of the choice and change models. Especially, the choice models in multinomial logistic regression are interpreted by marginal effect estimates. These methods make possible systematic studies of local decisions leading to the choice and change of organizational arrangements for implementing economic development programs at the county level.

CHAPTER 5

STABILITY AND CHANGEABILITY
IN COUNTY ECONOMIC DEVELOPMENT ORGANIZTIONS

Counties have provided more public services to residents now than ever before since the 1980s. The role of counties has expanded tremendously. Economic development is one way counties can enhance and diversify the services and infrastructure, and increase or stabilize the tax base (Lobao & Kraybill 2005; Pammer 1996; Streib et al. 2007). The role of county governments in economic development for citizens has grown under these social phenomena and is likely to continue to expand to satisfy their demands. How do county governments operate economic development strategies effectively? This question has obvious importance for development priorities, policies, and success. Chapter 2 introduced various types of local organizations for economic development focusing on their structural advantages and disadvantages. Based on Chapter 2, Chapter 5 explains several strategies for economic development in counties, and then, based on the survey data, confirms the existence of various organizational arrangements in counties and their dynamics as one of the efforts to effectively manage economic development activities.

5.1 Economic Development in Counties

In several articles about counties, scholars argue the American county is “the sleeping giant,” “a ramshackle,” “the headless wonder,” “the continent of American government,” “the jungle of the American political scene,” “a backward institution,” and “a plague spot of American policies.” In addition, counties are portrayed as unaccountable to the public, corrupt, wasteful, and unprofessional (Streib et al. 2007). Traditionally, counties had received less attention than American cities from both of scholars and the public, and this led county government to play a passive role as a subdivision of state government.

However, county governments have extended their activities in response to changing economic and political environments as well as reduced federal responsibility during the past decades. More recently economic development has become a major priority among American counties in order to be closer to the people having greater needs and preferences resulting from economic decline and suburbanization (Cope 1990; Pammer 1996; Wolman 1995). In the past, economic development had been regarded as a central-city concern, but recently counties have shown to be predisposed to economic development. This is because counties have larger resource bases than municipalities and strong local identification which can facilitate economic development programs and policies (Parmmer 1996).

Parmmer (1996) states that “historically, local economic development initiatives have been parochial in nature, and individual jurisdictions competed against each other for new business by providing lower tax rates and tax abatement (p.185).” However, recent research on the economic development within counties has moved to two major themes. First, county governments pursue regional cooperation for economic development, such as regional partnerships and special districts, to reduce competition among counties within their jurisdictional boundaries and thereby improve their regional competitiveness (Green et al. 2002; Kwon 2008; Lee 2009; Olberding 2000; Pammer & Dustin 1993; Reese 1994). Second, county governments pursue proactive economic development strategies marketing their regions and attracting foreign investment as an outlet for foreign trade (Reese 1994).

How can county governments carry out such economic development strategies effectively? To answer the question, Wikstrom (2003) offers one insight into the link between the structure of county government and performance. This means that the adequate type of governmental organizations and arrangements may lead to much higher economic development success in counties. Actually, Benton (2002) found that reformed or modernized county governments provided more latitude in the provision of services. Humphrey, Erickson, and McCluskey (1998) confirmed that larger organizations and more ties with other organizations resulted in greater efforts to foster economic growth. Wrightson (1985) noted that county governments were more efficient in resolving urban problems when they were acting cooperatively.

Clearly, county governments have not only operated their specific functions and strategies differently from cities and even states, but also have been changing their organizational arrangements to achieve their primary goals. They are playing as a key actor, and sometimes going as far as transforming their internal organization and external configuration to cooperate in economic development with other local organizations.

5.2 Internal Organization of County Development Functions

Placement of the department that executes economic development activities in the county lets us know the level of concern and priority of the county government about economic development.

Table 5.1 shows us frequency results of the internal organization according to development functions in 1999 and 2009. In 1999, the dominant choice was to place the department (43.3%, 211/487) under the direct control of the county commission, administrator or manager, while the second was a separate department type (32.2%, 157/487). The larger agency type was 15.8% (77/487), and the decentralized line department type was 8.6% (42/487). Ten years later, in 2009, the order of proportion for internal organizations was the same as in 1999. The most dominant type was the department (43.7%, 213/487) under the direct control of the county executive, and the second was a separated department (29.2%, 142/487). The larger agency type was 16.2% (79/487), and the decentralized line department type was 10.9% (53/487) in 2009.

Table 5.1. Distribution of Internal Organization

Type of Local Organization	**1999**	**2009**
Development as an Executive Function	211 (43.3%)	213 (43.7%)
A Separate Department of Economic Development	157 (32.2%)	142 (29.2%)
Having Development Organization with Larger Agency	77 (15.8%)	79 (16.2%)
Decentralized Line Department	42 (8.6%)	53 (10.9%)
Total	**487 (100%)**	

According to Table 5.1, it might seem that there was almost no change in the organization of county departments for local economic development between 1999 and 2009. However, their proportions mask significant changes from one form to another. Table 5.2 explains how many county governments have changed the placement of the department for the last 10 years. Overall, 78 (16.0%) governments among 487 counties moved the placement of development. In the 78 cases, a separate department type (38.5%, 30/78) and executive function type (32.1%, 25/78) tended to change their locations more frequently in the governmental structure than the larger agency type (25.6%, 20/78) or decentralized line department type (3.8%, 3/78).

Table 5.2. Distribution Change on Internal Organization

Type of Local Organization	**2009** Same with 1999	**2009 Different** from 1999	**Total**
Development as an Executive Function	186 (88.2%)	25 (11.8%)	211 (100.0%)
A Separate Department of Economic Development	127 (80.9%)	30 (19.1%)	157(100.0%)
Having Development Organization with Larger Agency	57 (74.0%)	20 (26.0%)	77 (100.0%)
Decentralized Line Department	39 (92.9%)	3 (7.1%)	42 (100.0%)
Total	**409**	**78**	**487**

Finger 5.1 reports how the 78 county governments moved the placement of the county department between 1999 and 2009. In the 25 cases of executive function type, 8 county governments (1.6%) in 1999 changed the placement to a separate department in 2009, 12 counties (2.5%) to a larger agency, and 5 counties (1.0%) to a decentralized line department. In the 30 cases of separate department types, 16 county governments (3.3%) in 1999 moved the placement to within the executive in 2009, 9 counties (1.9%) to a larger agency, and 5 counties (1.0%) to a decentralized line department. In the 20 cases of larger agency types, 11 county governments (2.3%) in 1999 shifted the placement to within the executive in 2009, 5 counties (1.0%) to a separate department, and 4 counties (0.8%) to a decentralized line department. Lastly, in the 3 cases of decentralized line department types, 2 county governments (0.4%) in 1999 changed the placement to a separate department in 2009, and 1 county (0.2%) to a larger agency. There was no change from a decentralized line department to within the executive.

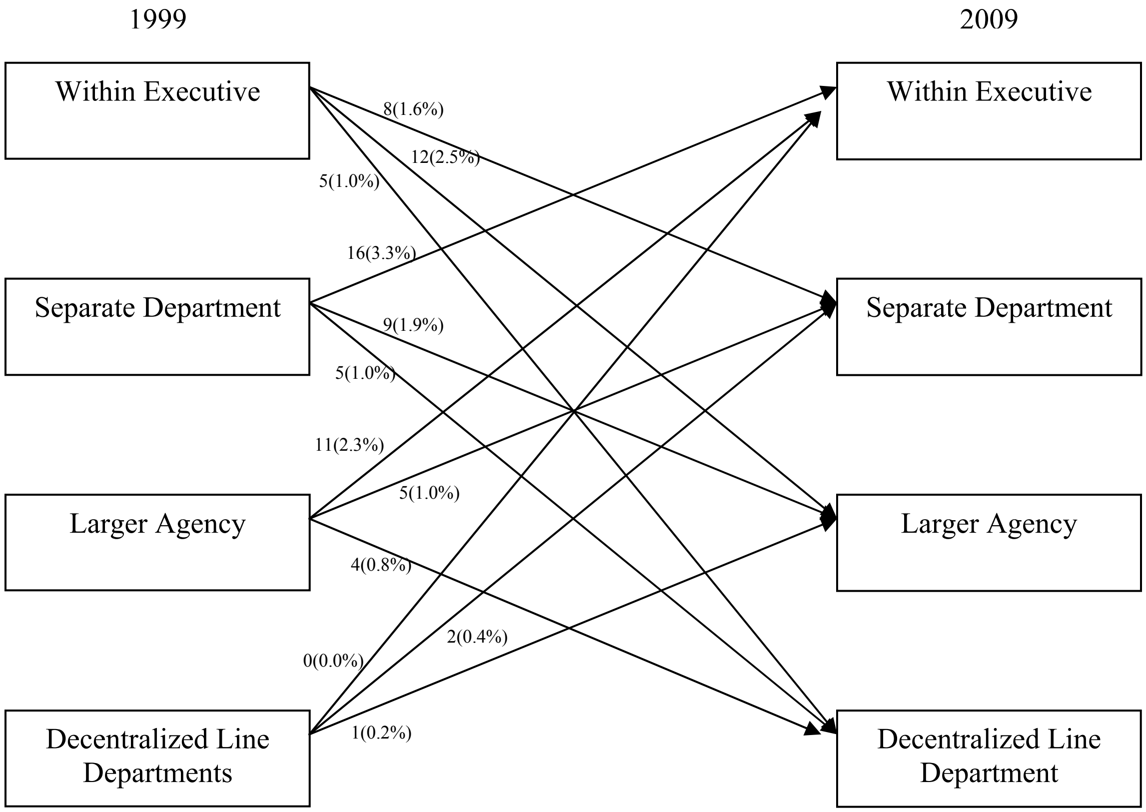

Figure 5.1. Patterns of Changes in Internal Organizations

The analyses reported in the tables confirm that internal organizations in county governments change over time. In addition, the current locations of the internal organizations are proportionally distributed across county governments. County governments vary widely in the ways they change or choose their internal organizations for promoting economic development. Also, the variations imply that county governments would employ different strategies when they implement economic development programs.

5.3 Locus of Local Development Authority within the Community

There is a clear distinction of supporters and processes for community development which depends on the most active group in promoting economic development. Blakely (1994) introduces three types, such as public organization, private organization, and public-private organization, according to the locus of local development authority within communities.

Table 5.3 provides the distribution of local organizations in the community which held a development authority in 1999 and 2009. Again, the amount of change at first appears modest. In 1999, public organization (46.0%, 226/491) was the most dominant organizational arrangement for economic development in counties. Public-private organization such as public-private partnership organization or special districts was 41.4% (203/491), and private organization was 12.6% (62/491). The order of the organizational proportion in 2009 was the same as in 1999 even though a decade had passed. Public organization (47.7%, 234/491) was still the most popular form of organization in 2009. Public-private organization and private organization were 35.4% (174/491) and 16.9% (83/491) respectively.

Table 5.3. Distribution of Local Development Authority

Type of Local Organization	**1999**	**2009**
Public Organization	226 (46.0%)	234 (47.7%)
Private Organization	62 (12.6%)	83 (16.9%)
Public-Private Organization	203 (41.4%)	174 (35.4%)
Total	**491 (100%)**	

Table 5.4 reports distribution changes in community organization. Although the proportion with each type of organization changes only modestly they mask significant reshuffling of organizations in several different directions. A total of 86 (17.5%) of 491 counties have changed the organizational configuration of the development authority since 1999. Comparatively, public-private organizations (9.8%, 48/491) transferred their authority for county economic development to public organizations or private organizations more frequently than public organizations to public-private organizations or private organizations, and vice versa. The proportion of change from public organizations to others was 5.9% (29/491), and the proportion from private organizations to others was 1.8% (9/491).

Table 5.4. Distribution Change on Local Development Authority

Type of Local Organization	2009 Same with 1999	2009 Different from 1999	Total
Public Organization	197 (87.2%)	29 (12.8%)	226 (100.0%)
Private Organization	53 (85.5%)	9 (14.5%)	62 (100.0%)
Public-Private Organization	155 (76.4%)	48 (23.6%)	203 (100.0%)
Total	**405**	**86**	**491**

Figure 5.2 shows which types of organizations designed the authority differently in 2009 than in 1999. Among the 29 counties that changed the authority from public organizations, 15 counties (3.0%) moved the locus to private organizations, and 14 counties (2.9%) moved it to public-private organizations between 1999 and 2009. Among the 9 counties that changed from private organizations, 4 counties (0.8%) shifted the locus to public organizations, and 5 counties (1.0%) shifted to public-private organizations. Lastly, among the 48 counties that changed from public-private organizations, 33 counties (6.8%) moved the locus to public organizations, and 15 counties (3.0%) moved it to private organizations.

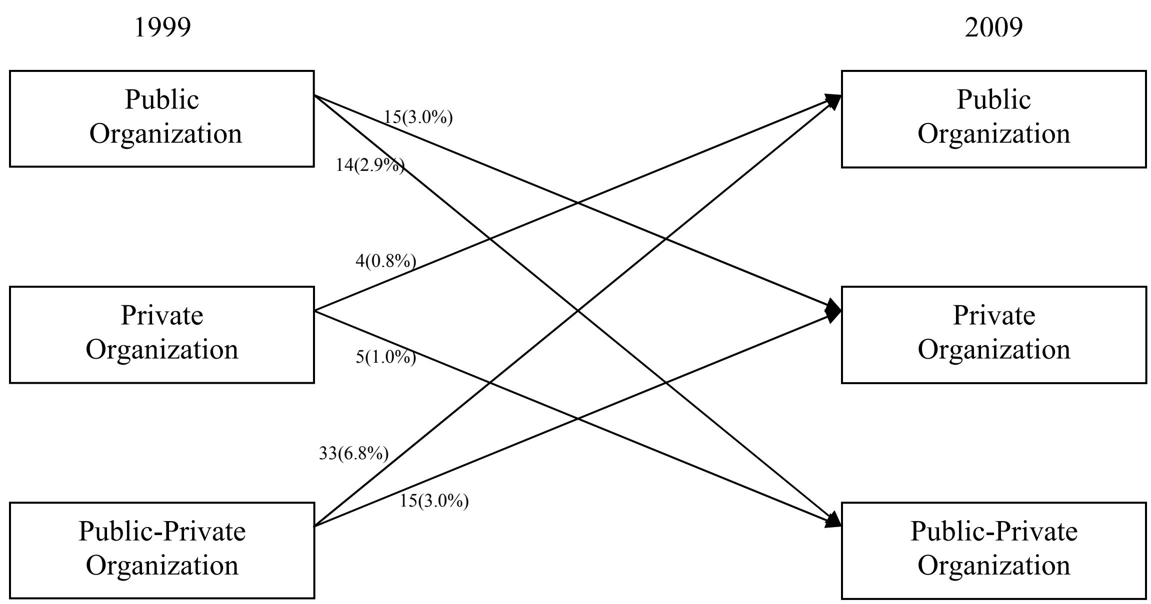

Figure 5.2. Patterns of Changes in Local Development Authority

Finally, we found that the change of active groups on local development authority is more dynamic than the change of departments for economic development, as internal governments and public organizations are mainly in charge of promoting economic development in counties.

5.4 Regional Partnership Organization of Economic Development

More and more, regional partnership organizations have become useful institutions for the success of regional governance. They reduce transaction costs, share resources and solve common problems for economic development through contractual cooperation with diverse local organizations.

Table 5.5 reports the number of county governments that participated or not in regional partnership organizations for economic development in 1999 and 2009. Three hundred forty-three (69.6%) of the 493 county governments joined in regional partnership organizations in 1999, but the other 150 counties (30.4%) did not participate in regional partnership organizations. In 2009, 389 county governments (78.9%) joined in regional partnership organizations, but the remaining 104 county governments (21.1%) did not participate in the organizations.

Table 5.5. Participation of Regional Partnership Organization

Regional Partnership Organization	**1999**	**2009**
Participation (No)	150 (30.4%)	104 (21.1%)
Participation (Yes)	343 (69.6%)	389 (78.9%)
Total	**493 (100%)**	

Figure 5.3 represents the change in participation of regional partnership organizations for local economic development. Although unlikely in the previous examples the change was almost entirely in one direction. Overall, there were 52 changes (10.5%) among 493 county governments between 1999 and 2009. Also, 49 county governments (9.9%) of the 52 counties that changed participated in new regional partnership organizations, while 3 county governments (0.6%) seceded from the regional partnership organizations.

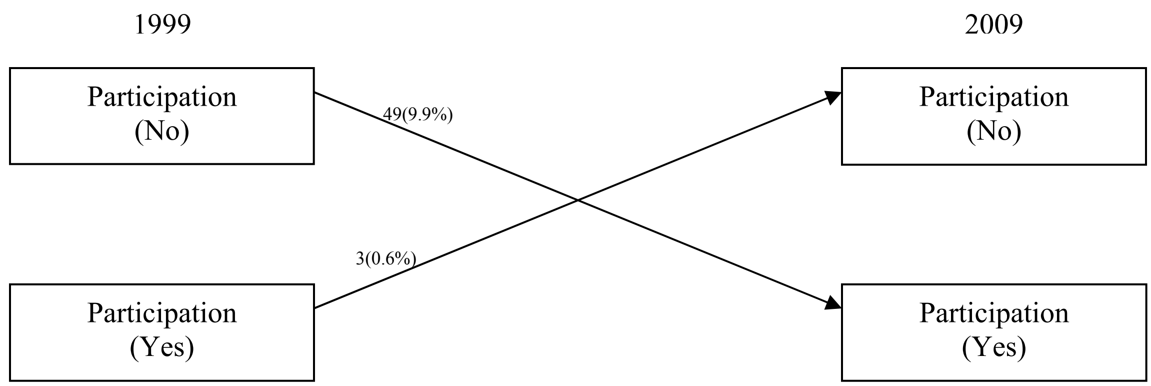

Figure 5.3. Patterns of Changes in Participation of Regional Partnership Organization

Finally, about 80% of the 493 county governments have held memberships in regional partnership organizations, and moreover the regional partnerships have spread across counties over time. Through the regional partnership organizations, most county governments are interconnected for economic development within regional boundaries, and coordinate economic development activities with one another.

5.5 Summary

This study investigates local organizations for economic development in two subject areas. The first is to confirm the variation in organizational arrangements for local economic development in counties. The other is to clarify the types and the directions of organizational choices and changes in counties. This chapter provides evidence of stability and change. Clearly, there are dynamic variations in the three dimensions of economic development organizations: 1) the internal organization of local government functions; 2) the locus of local development authority within the community; and 3) the regional partnership organization. Seventy-eight county governments (16%) of the total 487 counties have shifted placement of the departments for economic development in their internal structure since 1999. In the locus of development authority, 86 counties (17.5%) among 491 have experienced change in the most active organizational groups for economic development since 1999. The participation of regional partnership organizations has increased. Almost all county governments have renewed their membership status since 1999. Forty-nine counties have become new members, and only 3 counties have withdrawn from a partnership out of 52 counties. In conclusion, many county governments place the department for economic development within the county executive, and public organizations take charge of economic development activities. Also, most county governments participate in regional partnership organizations. The overall percentage of counties with executive control and public locus has changed very little in 10 years. This stability masks the organizational change going in multi-type directions. In fact, I found that 16% of the counties changed the internal organization of economic development and 17.5 percent changed the type of organizations with primary authority for development. On the other hand, participation in regional economic development partnerships is unidirectional. In 1999 only 150 counties had not participated in a partnership, however almost a third of these counties (49 counties) had joined in 2009.

CHAPTER 6

STATISTICAL ANALYSES:
INSITUTIONAL CHOICE AND CHANGE MODELS IN COUNTY ECONOMIC DEVELOPMENT ORGANIZATIONS

In Chapter 5, the variations of organizational arrangements for local economic development across counties were confirmed. Ultimately, how can we account for such different institutional choice in local economic development organizations? To answer this question, Chapter 6 investigates the impact of characteristics of communities (economic declines), political institutions (developing interest groups; environmental interest groups; form of county government; elections type) and network structures (inter-local revenue; inter-local expenditures) on organizational choices and changes for county economic development.

The first section estimates models for the development organization choices of counties as reflected by the organizational choices present in 2009. As demonstrated in the previous chapter there is substantial variation in the internal organization of county development functions, locus of county development authority within the community, and regional organization of economic development. The second section attempts to estimate the change in county economic development organizations. Although there is not a great deal of variation in the 10 year period studied here, we may still be able to identify community factors associated with organizational changes.

The statistical analyses estimate 6 models. Model 1, Model 2, and Model 3 are for current organizational choices in county economic development organizations. The models in Model 4, Model 5, and Model 6 are for organizational changes in county economic development organizations between 1999 and 2009. Table 6.1 reports a description of variable coding, data characteristics, and statistical methods in details.

Table 6.1. Description of Variable Coding, Characteristic, and Method

Dependent Variable (Coding)	Characteristics
► **Model 1: H1-a-1 through H9-a-1**	**Nominal Data**
(Choice Model in Internal Organizations)	(Multi-nominal
- Within Executive (Coded "1")	Logistic
- A Separate Department (Coded "2")	Regression)
- A Larger Agency (Coded "3")	
- Decentralized Line Department (Coded "4")	
► **Model 2: H1-b-1 through H9-b-1**	**Nominal Data**
(Choice Model in Locus of Development Authority)	(Multi-nominal
- Public Organization (Coded "1")	Logistic
- Private Organization (Coded "2")	Regression)
- Public-private Organization (Coded "3")	
► **Model 3: H1-c through H9-c**	**Nominal Data**
(Choice Model in Regional Partnership Organizations)	(Binary Logistic
- Non-Existence of Regional Partnership Organization in 2009 (Coded "0")	Regression)
- Existence of Regional Partnership Organizations in 2009 (Coded "1")	
► **Model 4: H1-a-2 through H9-a-2**	**Nominal Data**
(Change Model in Internal Organizations)	(Binary Logistic
- No change between 1999 and 2009 (Coded "0")	Regression)
- Existence of change between 1999 and 2009 (Coded "1")	
► **Model 5: H1-b-2 through H9-b-2**	**Nominal Data**
(Change Model in Locus of Development Authority)	(Binary Logistic
- No change between 1999 and 2009 (Coded "0")	Regression)
- Existence of change between 1999 and 2009 (Coded "1")	
► **Model 6: H1-c through H9-c**	**Nominal Data**
(Change Model in Regional Partnership Organizations)	(Binary Logistic
- Non-Existence of Regional Partnership Organization in 1999, and 2009 (Coded "0")	Regression)
- Existence of Regional Partnership Organizations in 1999, and 2009 (Coded "1")	
Independent Variable (Coding)	**Characteristics**
Population Change	**Interval Data**
Poverty Rate	**Interval Data**
Proportion of Construction Industry	**Interval Data**

Table 6.1-Continued

Independent Variable (Coding)	**Characteristics**
Median Income	**Interval Data**
Proportion of the Persons Having BA Degree or Higher Degree	**Interval Data**
Form of County Government	**Nominal Data**
- Commission (Unreformed Government → Coded "0")	(Dummy)
- Council-administrator (Reformed Government → Coded "1")	
- Council-manager (Reformed Government → Coded "1")	
- Council-elective Executive (Reformed Government → Coded "1")	
Percentage of Commissioners by At-Large Election	**Interval Data**
Inter-local Revenue	**Interval Data**
Inter-local Expenditure	**Interval Data**
Control Variable (Coding)	**Characteristics**
Strategic Plan	**Nominal Data**
(Yes → Coded "1" ; No → Coded "0")	(Dummy)
Number of Neighbor Counties	**Interval Data**
Homogeneity: Betweenness of 1st Ranked Race and 2nd Ranked Race	**Interval Data**
Own Resource Revenue	**Interval Data**
County Status Metropolitan County or Non-Metropolitan County	**Nominal Data**
(Metropolitan → Coded "1" ; Non-Metropolitan → Coded "0")	(Dummy)

6.1 Institutional Choice in County Economic Development Organizations

I investigated the impacts of community, political, and network characteristics on organizational choices in county economic development organizations. In Model 1, I coded, if the county government had "within executive type" in 2009 as "1," "a separate department type" as "2," "a larger agency type" as "3," and "decentralized line department type" as "4." According to the locus of development authority in 2009, I coded "public organizations" as "1," "private organizations" as "2," and "public-private organizations" as "3" in Model 2. If the county participated in regional partnership organizations for economic development in 2009, I coded as "1" for Model 3, and non-participation to "0". I used marginal effect estimation of multi-nominal logistic regression for analyses of Model 1 and Model 2. Also, I ran logistic regression in Model 3.

6.1.1 Internal Organization of County Development Functions

Using marginal effect estimator, Model 1 tests organizational choice in county development functions for "within executive type," "separate department type," "larger agency type," and "decentralized line department type." Table 6.2 indicates, only when matched with the hypothesis, that county governments having a higher poverty rate place the function of fostering economic growth under "separate department type" among other different types of internal organizations. In addition, county governments in a metropolitan area prefer "larger agency type" to manage economic development activities. On the contrary, county governments with strategic plans do not choose "within executive" and "line department," and county governments with higher homogeneity in racial diversity do not choose "within executive" to implement economic development activities.

Differing from the hypothesis, there is a positive relationship between a higher median income and choice of "separate department." Also, no significance is found in pro-development interest, reformed form of county government, county election type, and inter-local networks in this model.

Table 6.2. Multi-nominal Logistic Marginal Effect Estimates of Organizational Choice in 2009: Internal Organizations of Local Development Functions

Variable	**MODEL 1: Internal Organization Choice in Functions**			
	Within Executive	Separate Department	Large Agency	Decentralized Line Department
Population Change	.002	-002	.000	-.001
	(.002)	(.002)	(.002)	(.001)
Poverty Rate	-.014*	.023***	-.010*	.001
	(.010)	(.008)	(.008)	(.005)
Construction Industry	-.003	.005	-.003	.001
	(.006)	(.006)	(.005)	(.004)
Median Income	-.000	.000**	-.000	.000
	(.000)	(.000)	(.000)	(.000)

Table 6.2-Continued

Variable	Within Executive	Separate Department	Large Agency	Decentralized Line Department
Level of Education	.004	-.004	-.004	.004**
	(.004)	(.004)	(.003)	(.002)
Reformed Government	-.056	.041	.022	-.007
	(.052)	(.047)	(.038)	(.032)
At-Large Election	-.000	.001	.000	-.000
	(.001)	(.000)	(.000)	(.000)
Inter-local Revenue	.000	.000	.000	.000
	(.000)	(.000)	(.000)	(.000)
Inter-local Expenditure	.000*	.000	.000	.000
	(.000)	(.000)	(.000)	(.000)
Strategic Plan	-.121**	.188***	-.017	-.050*
	(.049)	(.043)	(.036)	(.031)
Number of Neighbor Counties	-.014	.004	.007	.003
	(.016)	(.014)	(.011)	(.010)
Homogeneity (Racial Diversity)	-.002*	.000	.001	.001
	(.001)	(.001)	(.001)	(.001)
Own Resource Revenue	.000	.000	-.000	-.000
	(.000)	(.000)	(.000)	(.000)
Metropolitan County	-.094*	.004	.063*	.026
	(.060)	(.055)	(.042)	(.036)
N	190	131	75	50

Total observations are 446. The model is significant at .000.
*Significant at .10, ** significant at .05, *** significant at .01.
Parentheses indicate the standard errors.

6.1.2 Locus of County Development Authority within the Community

Table 6.3 reports the probability of choosing an alternative organization in county development authority with respect to the explanatory variables. In line with the hypotheses, counties having a higher population decline, a reformed form of county government, a higher homogeneity in racial diversity, a higher own resource revenue, and counties located in an metropolitan area choose "public-private organizations" to promote economic development programs within the communities. On the other hand, more interestingly, higher median income leads to the choice of “public organizations” for county economic development. Counties with stronger environmental interest are positively associated with the choice of “public organizations” within the community. Also, counties having population decline, a reformed form of county government, higher own resource revenue, and located in an urban abandon “public organizations” for economic development.

Table 6.3. Multi-nominal Logistic Marginal Effect Estimates of Organizational Choice in 2009: Locus of Local Development Authority

Variable	**MODEL 2: Organization Choice in Locus of Local Development Authority**		
	Public Organization	Private Organization	Public-Private Organization
Population Change	-.006*	.001	.004**
	(.002)	(.001)	(.002)
Poverty Rate	.014	.001	-.016
	(.010)	(.007)	(.009)
Construction Industry	.016	-.002	-.014
	(.006)	(.005)	(.006)
Median Income	.000***	-.000	-.000**
	(.000)	(.000)	(.000)
Level of Education	-.002	.005	-.002
	(.004)	(.002)	(.004)
Reformed Government	-.115**	.040	.076*
	(.053)	(.038)	(.050)
At-Large Election	-.000	.001	-.001
	(.001)	(.000)	(.001)
Inter-local Revenue	.000	-.000	.000
	(.000)	(.000)	(.000)
Inter-local Expenditure	.000	.000	.000
	(.000)	(.000)	(.000)
Strategic Plan	.008	-.008	-.000
	(.050)	(.037)	(.049)
Number of Neighbor Counties	-.019	.0111	.008
	(.016)	(.113)	(.015)

Table 6.3-Continuied

	Public Organization	Private Organization	Public-Private Organization
Homogeneity (Racial Diversity)	-.001	-.000	.001*
	(.001)	(.001)	(.001)
Own Resource Revenue	-.000*	.000	.000*
	(.000)	(.000)	(.000)
Metropolitan County	-117**	.018	.099*
	(.060)	(.044)	(.056)
N	210	71	165

Total observations are 446. The model is significant at .000.
* Significant at .10, ** significant at .05, *** significant at .01.
Parentheses indicate the standard errors.

6.1.3 Regional Organization of Economic Development

Model 3 studies affiliation of regional partnership organizations for county economic development. As the results show, environmental interest, reformed government and close network structures have a significant and positive effect when participating in regional partnership organizations for county economic development. Counties having higher level of education, a reformed form of government and more inter-local revenue maintain affiliation with regional partnership organizations in 2009. Consistent with previous works, counties with a strategic plan and higher competition, and counties in a metropolitan area have a positive influence on participation in the regional partnership organizations.

However, as shown in Table 6.4, there are not any significant relationships between economic decline, election type, and participation in organizations for county economic development.

Table 6.4. Logistic Analysis of Organizational Choice of Regional Partnership Organizations in 2009

Variable	**Model 3: Participation in Regional Partnership Organizations**		
	Coefficient	Std. Err.	Odds Ratio
Population Change	-.010	.010	.989
Poverty Rate	-.062	.044	.939

Table 6.4-Countinued

	Coefficient	Std. Err.	Odds Ratio
Construction Industry	.042	.030	1.043
Median Income	-.000	.000	.999
Level of Education	.046**	.021	1.047
Reformed Government	.657**	.264	1.929
At-Large Election	-.005	.003	.995
Inter-local Revenue	.000*	.000	1.000
Inter-local Expenditure	.000	.000	1.000
Strategic Plan	.409*	.252	1.506
Number of Neighbor Counties	.180**	.081	1.198
Homogeneity (Racial Diversity)	.003	.006	1.003
Own Resource Revenue	-.000	.000	.999
Metropolitan County	.788**	.324	2.200
Constant	1.516	1.677	-
Number of Observation		448	
LR chi2		54.471	
Prob > chi2		.000	
Efron's R2		.18	

* Significant at .10, ** significant at .05, *** significant at .01.

6.2 Institutional Change in County Economic Development Organizations

I investigated the influence of community, political, and network characteristics on organizational changes in county economic development organizations. To capture the organizational dynamics more specifically, I had estimated probabilities of each choice in scenarios of every possible change by using multi-nominal logistic regression. However, the number of changes in internal organizations and active groups for county economic development since 1999 are too small to apply the method. Only 78 governments among 487 counties changed the placement of development organization in their structure, and only 86 of 491 counties moved the organizational configuration of the development authority. Therefore, I used binary logistic regression for analyses in Model 4 and Model 5. If there was a change for the last 10 years, I coded “1,” if not I coded “0.” This indicates simply an explanation for the organizational changes in economic development in counties between 1999 and 2009.

Model 6 tested the organizational changes using binary logistic regression controlling the existence of regional partnership organizations in 1999. In Model 6, if the county government participated in regional partnership organizations, I coded “1,” otherwise I coded “0.”

6.2.1 Internal Organization of County Development Functions

Table 6.5 shows why there were organizational changes in the internal organizations of county government. In Model 4, 31.0% of the variation in the organizational change can be explained by these variables.

The results reported in Table 6.5 confirm the importance of pro-development interest, environmental interest, and inter-local networks. A higher proportion of construction industries, a higher level of education, and greater inter-local expenditures are positively related to changes in the placement of departments for economic development in county governments between 1999 and 2009. These results support the hypotheses that counties having a stronger pro-development interest, a stronger environmental interest, and a closer network with other counties are more likely to change the governmental structure of their internal organizations. In addition, there is a positive association between counties in metropolitan areas and changes of their internal organizations. However, no impacts are found from economic decline, reformed form of government, and county election type on changes in the internal organizations.

Table 6.5. Binary Logistic Analyses of Organizational Change between 1999 and 2009: Internal Organizations of Local Development Functions

Variable	**MODEL 4: Change of Internal Organization**		
	Coefficient	Std. Err.	Odds Ratio
Population Change	.004	.010	1.004
Poverty Rate	.019	.050	1.019
Construction Industry	.037**	.030	1.038
Median Income	.000	.000	1.000
Level of Education	.014*	.019	1.014
Reformed Government	.196	.273	1.217

Table 6.5-Continued

	Coefficient	Std. Err.	Odds Ratio
At-Large Election	.003	.003	1.003
Inter-local Revenue	.000	.000	1.000
Inter-local Expenditure	.000*	.000	1.000
Strategic Plan	-.272	.257	0.762
Number of Neighbor Counties	-.076	.080	.927
Homogeneity (Racial Diversity)	.006	.006	1.006
Own Resource Revenue	.000	.000	1.000
Metropolitan County	.466*	.305	1.593
Constant	-1.779	.965	-
Number of Observation		443	
LR chi2		147.42	
Prob > chi2		.001	
Efron's R2		.31	

* Significant at .10, ** significant at .05, *** significant at .01.

6.2.2 Locus of County Development Authority within the Community

Model 5 in Table 6.6 indicates the variables that affect changes of the active organizations in county economic development since 1999. In Model 5, 34.0% of variation in the organizational change can be accounted for by theses variables.

Consistent with the hypothesis, pro-development interest and environmental interest lead to changes of the locus of development authority within communities. A higher proportion of construction industries, a higher median income, and higher level of education influence a shift in the most active groups of economic development in counties for the last 10 years. Also, there is a positive relationship between counties in metropolitan areas and changes of the active groups for county economic development. On the other hand, there is a negative relationship between counties with higher homogeneity in racial diversity and changes of the active groups. Different from the hypotheses, there is not enough evidence in Model 5 that economic decline, a reformed form of government, county election type, and inter-local networks influence changes in the locus of development authority.

Table 6.6. Binary Logistic Analyses of Organizational Change between 1999 and 2009: Locus of Development Authority

Variable	**MODEL 5: Change of Locus of Development Authority**		
	Coefficient	Std. Err.	Odds Ratio
Population Change	-.005	.019	.995
Poverty Rate	-.036	.077	.964
Construction Industry	.076**	.061	1.079
Median Income	.000*	.000	1.000
Level of Education	.031*	.041	1.032
Reformed Government	.264	.467	1.302
At-Large Election	.004	.005	1.004
Inter-local Revenue	.000	.000	1.000
Inter-local Expenditure	.000	.000	1.000
Strategic Plan	-.115	.444	.891
Number of Neighbor Counties	-.050	.155	.952
Homogeneity (Racial Diversity)	-.007*	.009	.993
Own Resource Revenue	.000	.000	1.000
Metropolitan County	.343*	.561	1.410
Constant	-.231	2.965	-
Number of Observation	449		
LR chi2	158.27		
Prob > chi2	.001		
Efron's R2	.34		

* Significant at .10, ** significant at .05, *** significant at .01.

6.2.3 Regional Organization of Economic Development

Model 6 analyzes the influence of community, political, and network characteristics on change in participation of regional partnership organizations for county economic development. The results of Model 6 reported in Table 6.7 confirm the importance of pro-development interest, environmental interest, and form of county government on change in the participation. Stronger pro-development interest and environmental interest, a reformed form of government, and metropolitan status induced the county governments, which did not participate in regional partnership organizations in 1999, to newly affiliate with the organizations in 2009. However, no significance is found that there are positive associations with economic decline, county election type or inter-local networks, and new participation in regional partnership organizations in counties.

Table 6.7. Logistic Analysis of Organizational Change: Regional Partnership Organizations

Variable	**MODEL 6: Organization Change to "Regional Partnership Organization"**		
	Coefficient	Std. Err.	Odds Ratio
Population Change	-.028	.019	.972
Poverty Rate	-.031	.077	.969
Construction Industry	.123**	.061	1.131
Median Income	-.000	.000	.999
Level of Education	.116***	.041	1.123
Reformed Government	1.166**	.467	3.210
At-Large Election	-.007	.005	.993
Inter-local Revenue	.000	.000	1.000
Inter-local Expenditure	.000	.000	1.000
Strategic Plan	.225	.444	1.252
Number of Neighbor Counties	.027	.155	1.027
Homogeneity (Racial Diversity)	.007	.009	1.007
Own Resource Revenue	-.000	.000	.999
Metropolitan County	1.182**	.561	3.260
Constant	-1.094	2.965	-
Number of Observation	448		
LR chi2	307.48		
Prob > chi2	.000		
Efron's R2	.67		

* Significant at .10, ** significant at .05, *** significant at .01.

6.3 Summary

This study investigates the impacts of economic decline, pro-development interest, environmental interest, county form of government, election type of commissioners, and inter-local fiscal transfers on three dimensions of economic development organization in counties.

The first dimension focuses on the internal organization of county government functions: 1) development as an executive function; 2) a separate department of economic development; 3) economic development with a larger agency; and 4) a decentralized line department. The results, consistent with the hypotheses, indicate that economic decline (higher poverty rate) is associated with choosing a "separate department" for county economic development. The results also indicate that pro-development interest (higher proportion of construction industries), environmental interest (higher level of education), and a closer network (greater inter-local expenditures) are positively related with the change in placement of the departments within their governmental structures. In addition, counties located in a metropolitan area have a significant impact on the change of internal organizations in county governments.

The second dimension focuses on the locus of county economic development authority within the community: 1) public organization; 2) private organization; and 3) public-private organization. The results show that counties with economic decline (higher population decline) and a reformed form of government (Council-administrator / Council-manager / Council-elective Executive) choose "public-private organization" to promote economic growth. Also, counties having stronger environment interest (higher median income) choose "public organization" to regulate economic development activities. In the change models, pro-development interest (higher proportion of construction industries) and environmental interest (higher median income / higher level of education) lead a movement in the locus of development authority. In addition, counties in a metropolitan area have changed the active groups of county economic development since 1999 while counties with higher homogeneity in racial diversity have hindered to change in the active groups.

The last dimension focuses on the creation of regional partnership organizations and the participation. The findings support the hypotheses more strongly than the other two dimensions. In 2009, county governments with stronger environmental interest (higher median income), reformed form of government (Council-administrator / Council-manager/ Council-elective Executive), and closer inter-local networks (higher inter-local revenue) have been participating in regional partnership organizations. Also, county governments with stronger pro-development interest (higher proportion of construction industry), stronger environmental interest (higher median income), and reformed form of government (Council-administrator / Council-manager/ Council-elective Executive) were participating more actively in regional partnership organizations for economic development between 1999 and 2009.

CHAPTER 7

CONCLUSIONS

In recent decades, county governments have extended their activities in order to respond to the greater needs and the diverse preferences of their citizens. In this situation, economic development has become a major priority among U.S. counties, and the counties increasingly have coordinated actions to implement various economic development programs among other organizations. The organizational structure and configuration in county governments have obvious importance for success of the economic development activities and programs.

This dissertation asks these three questions focusing on organizational choices for economic development in U.S. counties. How do communities organize themselves to promote economic development? Have county governments changed their organizational arrangements for promoting economic development? What accounts for organizational choice in these three dimensions of county economic development organizations: 1) internal organization of departmental functions; 2) locus of active organizations; and 3) regional partnership organizations? This dissertation answers the questions based on survey responses from 500 U.S. counties. This analysis confirms that there is variation in county economic development organizations. It also clarifies the organizational types and patterns of changes.

7.1 Summary of the Study

7.1.1 Internal Location of County Development Functions

The descriptive results are quite informative. There is substantial variation in the internal organization of county development functions. The most popular structural arrangement houses local economic development within the executive office. The executive type organization was used in 43.7 percent of the counties. Many counties rely on a separate economic development department. The survey reports that in 2009, 29.2 percent of the counties have established a separate economic development department. Generally, a specialized and separated department within the internal structure of county government is dedicated to growth promotion. It is often considered more efficient for economic development, and more responsible than departments such as those within the executive, a larger agency, or a decentralized line department in the county government (Feiock & Kim 2001; Fleishmann & Green 1991; Wilson 1999). Nevertheless, change from other structures to an independent department between 1999 and 2009 was limited. The analysis found that 78 (16.0%) of the county governments had moved the placement of the department between 1999 and 2009 but there was not a strong trend toward a separate department. Only fifteen (3.1%) county governments had changed the placement to a separate department.

A slightly more common change was to shift the placement of the department to be a large agency with multiple functions. A larger agency devotes more coordinated effort in controversial work involving different divisions or functions (Feiock & Kim 2001; Fleishmann & Green 1991; Wilson 1999). Between 1999 and 2009, 22 (4.5%) counties moved economic development to larger agencies. As chapter five reports there is stability in organizations over time and no dominant trend in changes. There is movement both to and from each organizational arrangement. The low frequency of specific changes allows us to focus on general explanations for change but limits our ability to model changes to or from specific forms.

The analysis also investigated the factors that influence whether a county uses the various internal arrangements for economic development. The results reported in Chapter 6 indicate that several factors influence organizational choice. Most notably, consistent with the hypotheses, counties with economic decline rely on a separate department type to a greater extent than counties with more robust economies. Why do counties change their institutional arrangements? While change was not frequent enough to model the specific direction it took, we were able to examine the extent that interest groups and inter-local networks influenced change of any kind. The results indicate that pro-development interest, environmental interest, and a closer network influence change in organizational arrangements positively through the structure of county governments. Clearly, county governments have chosen and transformed their internal location of county development functions corresponding to demands of the communities.

7.1.2 Locus of Economic Development Responsibility

There is also great variation in whether government or a private organization is the primary actor responsible for economic development efforts in a community. The existence of active public-private organizations for economic development within the counties helps the local governments achieve fair costs, and meet their responsibilities and returns more than independently operating public organizations or private organizations. Also, It can help the communities reach development outcomes faster (Rainey 2003; Stainback 2000). However, sometimes public organizations regulate economic development activities siding with environmental interests against developers.

Two hundred thirty-four among 491 counties had public organizations as the most active actor for economic development, and 174 (35.4%) counties had public-private organizations as the most active actor in 2009. While government organization is the model category, over a third of the counties reported that a quasi-public organization was the lead actor in promoting economic development in the county. Private actors such as chamber of commerce had the locus of development authority in 83 (16.9%) counties.

The survey reports that eight-six (17.5%) counties changed the locus of development authority between 1999 and 2009. Again, there is not a single pattern. Thirty-seven (7.5%) counties moved the authority to public organizations, and 19 (3.9%) counties moved to public-private organizations since 1999. Somewhat surprisingly, thirty (6.1%) counties shifted development responsibility to private organizations in the last 10 years.

The analysis also investigated what factors influence the locus of development responsibility in a county. The results reported in Chapter 6 indicate that several factors influence organizational choice. Once again economic conditions are salient. Counties with economic decline replied more on public-private organizations to promote economic condition in 2009. Reformed county governments also preferred public-private organizations for economic development. Especially, counties with stronger environmental interest chose public organizations as the active actor. This is exactly matched with my expectation that environmental interest makes state/county/city governments regulate economic development activities relatively balancing pro-development interest. We also examined change of active groups in county economic development between 1999 and 2009. The results indicate that strong pro-development interest and strong environmental interest affect a change in development groups to be the most active. Similarly, the results in internal location of county development functions, counties have chosen and changed the locus of economic development responsibility reflecting demands of the communities.

7.1.3 Regional Partnership Arrangements

In recent years there has been tremendous interest in and attention to regional approaches to promoting economic development and the use of regional economic development partnerships. Counties are key actors in these organizations and county participation is seen as critical to economic development success (Olberding 2002). Participation by county governments in regional partnership organizations reduces the costs by inter-local competition through coordination, and increases the efficiency of development activities by sharing resources with other local organizations (Kwon 2008; Lee 2009; Olberding 2002).

The vast majority of counties participate in regional partnership arrangements. Currently, 389 (78.9%) county governments participate in regional partnership organizations for economic development, and 104 (21.1%) county governments do not participate. A much clearer trend is evident in participation by counties in regional partnership organizations, even though other organizational arrangements were examined in this dissertation. Participation has increased for the last 10 years. Forty-nine (9.9%) county governments have become new members in the regional partnership organizations, and only 3 (0.6%) governments have withdrawn since 1999.

The result strongly supports the hypotheses regarding participation in regional organizations. The analysis indicates that stronger environmental interest, a reformed form of county government, and closer inter-local networks are positively related to participating in regional partnership organizations in 2009. Also, in the change model, the results indicate that stronger pro-development interest, strong environmental interest, and a reformed form of government have made the county governments (not participating in regional partnership organizations) affiliate actively with organizations between 1999 and 2009. Participation of regional organizations in economic development has become an ordinary approach in counties.

7.2 Implications for Academic Research

This dissertation begins to fill a vast lacuna in our understanding of organizational choices in local economic development. Amazingly little is known about the institutional arrangements for development at the local level for cities as well as counties. The last systematic data collection was two surveys by ICMA almost 20 years ago. Thus, the descriptive analysis provides unique insights regarding stability and change.

While the amount of change in local economic development arrangements is small, it is much more significant than is revealed by comparing aggregate patterns for 1999 and 2009. While the numbers of counties with various arrangements appears similar, this masks dynamics where changes occur in each direction. This is starkly revealed by the analysis in Chapter 5 that traces movements in the internal structure and locus of development responsibility over 10 years for the counties in this study.

This analysis also reveals several interesting patterns that have been overlooked in the literature. The economic development research advocates the use of a dedicated economic development agency and reliance on public-private organizations in the community. While these forms are popular, they are far from dominant. In fact, governmental organizations remain the lead actor in many counties. The survey result of 2009 indicates that 179 (35.5%) counties choose county governments as the most active organizations, which is the highest proportion in all configurations of economic development organizations. This may mean that counties still have been less innovative in economic development than cities. The descriptions of counties as "sleeping giants" and "headless wonders" may fit in this case. This also may reflect the importance of traditional county roles and the attention to service provision rather than economic development.

A number of explanatory models for reliance on various arrangements are estimated and the results may have implications for understanding local institutions and organizations generally. In particular, this study captures the importance of political institutions when local governments organize their organizational arrangements to implement economic development activities. Although several scholars studying new institutional theories have mentioned that basically public organizations have political aspects like bargaining, negotiation, and temporary interest between demanders and suppliers, actually little research has studied the impact of political constraints on organizational choice in local governments. The results of this study indicate the influence of reformed form of government, environmental interest, and pro-development interest.

Counties with reformed form of government have chosen public-private organizations as the most active actor in county economic development, and regional partnership organizations in order to cooperate with various development organizations in their development activities. Also, strong environmental interest groups pressure public organizations to possess county development authorities instead of public-private organizations or private organizations, and that county governments participate in regional partnership organizations in order to coordinate their development activities with other county development organizations. Also, developing interest groups induce that county governments have participated in regional partnership organizations in order to achieve large economic scale and share their resources.

7.3 Implication County Government

This study also has potential implications for actors involved in the design of county development programs and institutions. These might include citizens, local officials and higher level government officials. Economic development has become increasingly important as the federal role in this area has been reduced in the last two decades (Clarke & Gaile 1998). Local organizations as groups of actors to foster local economic growth have obvious importance because local governments and communities have to create and develop the organizations with responsibility to reflect public demands, and evaluate their performance when economic development programs and policies have been formulated.

Many scholars argue that local governments have built or remodeled their organizations and institutional arrangements in order to adapt themselves to a new environment. Most of all, based on these arguments, the first implication of this study is evidence that county governments have strategically chosen their internal organizations, organizational configurations for community development authority, and regional partnership organizations.

Counties faced with serious economic decline have created an independent department in their governmental structure to assume full charge of economic development activities, and in addition they have chosen cooperative organizational configurations to implement economic development programs effectively, such as quasi-public organizations or regional partnership organizations. The survey result of 2009 indicates that 179 (35.5%) of counties choose county governments as the most active organizations, which is the highest proportion in all configurations of economic development organizations.

There are also important differences between metropolitan and non-metropolitan rural counties. The geographic location of counties has a very significant influence on organizational choices and changes in county economic development organizations. In both choice models and change models, the results report that metropolitan counties choose “larger agency type” in internal organizations, “public-private organizations” as active actors for economic development, and they create regional partnership organizations in their communities. In addition, counties located in a metropolitan area lead to change in the locus of economic development and new participation in regional partnership organizations differently from previous organizational forms. However, we cannot find any significance in organizational choices and changes in non-metropolitan counties. In these results, it may be concluded that metropolitan counties choose innovated and coordinated organizational arrangements in order to lessen conflict and competition within the communities, and that they are more dynamic than non-metropolitan counties in their institutional changes to reflect public preference.

7.4 Limitation and Future Study

This dissertation research focused on county governments in the United States. For the analyses, 1020 counties[23] provided by the National Association of Counties (NACo) were selected as the subject of investigation, and 500 counties responded the survey. However, these samples represent a small proportion of all counties in United States. Considering that the U.S. consists of 3,142 counties, our final response rate is just 15.91% of the total. This combined with the relative infrequency of changes in internal structure limit the analysis of change. While we are able to test explanations for stability and change generally, we cannot predict changes to and from particular arrangements with a small number of observations. Future work with a larger set of counties or examining change over a longer time frame may be able to build on this work to investigate specific change patterns.

This study tried to identify the importance of political effects on organizational choice and change. Especially, it was anticipated that strong environmental interest groups lead county governments to choose a larger agency form that can coordinate favorable activities for pro-development interest groups. However, the result shows that higher median income leads to the choice of a separate department form in internal organizations of county governments. In this result, it may be interpreted that residents having a higher median income request more services

[23] These samples may not represent entire counties in U.S.. Mean values of demographic data in all counties of survey samples are little lower than the mean values in all U.S. counties.

from county governments, and then the county governments may make more effort to activate pro-development activities in order to obtain more financial resources to provide the services. However, it is still necessary to exactly measure the strength of environmental interest in counties in order to more precisely explicate interest group models in economic development organizations. The total sale amount from car plates used to support environmental groups, or the total number of environmental interest groups in the counties would be better alternatives.

In addition, this study does not account for the higher-level constitutional rules which can constrain the decisions of county governments. New institutional theorists argue that higher-level rules establish the overall rules of the game, and players make their decisions under control of the rule (McCabe & Feiock 2005). For example, assuming that organizational change generally needs a high starting cost and a long time plan, the existence of a home rule charter in the county may give the county government more discretion to make decisions independently for economic development within the community, and more responsibility to actively reflect public opinions. Therefore, federal or state rules may importantly affect institutional choice and change in county economic development organizations.

Nickerson and Zenger (2002) point out that public administrators or managers often appear to be rather fickle in their choices of organizational structure. Who makes the final decision of organizational choice and change in counties? They are commissioners, mayors, county administrators, or county managers placed in high-level positions. Therefore, their personal characteristics or history can critically influence institutional choice and change in county economic development organizations. Their tenure on the work or turnover intention may affect transformations in the organizations for county economic development.

Although this research apparently this research presents variations in institutional choices and changes in county development organizations, there are limits when generalizing the results in entire local governments. Additional research to expand is the study could be applied to U.S. cities with the same framework, using the limitations described above. This future work will be able to introduce the development of integrative frameworks, and explain the mechanism of organizational choice and change more generally in local and regional governance.

Despite these limitations, this study produces the best description and most complete evidence available on county economic development efforts and organizations in the U.S. Thus, it can provide a foundation for future inquiry.

APPENDIX A

INSTITUTIONAL REVIEW BOARD (IRB) APPROVAL LETTER

Office of the Vice President For Research
Human Subjects Committee
Tallahassee, Florida 32306-2742
(850) 644-8673 Â· FAX (850) 644-4392

APPROVAL MEMORANDUM

Date: 7/17/2008

To: Jongsun Park [jp03f@fsu.edu]

Address: P.O. Box 3062250, Tallahassee, FL 32306-2250
Dept.: PUBLIC ADMINISTRATION AND POLICY

From: Thomas L. Jacobson, Chair

Re: Use of Human Subjects in Research
Institutional Change in Local Economic Development Organization

The application that you submitted to this office in regard to the use of human subjects in the proposal referenced above have been reviewed by the Secretary, the Chair, and two members of the Human Subjects Committee. Your project is determined to be Exempt per 45 CFR Â§ 46.101(b)2 and has been approved by an expedited review process.

The Human Subjects Committee has not evaluated your proposal for scientific merit, except to weigh the risk to the human participants and the aspects of the proposal related to potential risk and benefit. This approval does not replace any departmental or other approvals, which may be required.

If you submitted a proposed consent form with your application, the approved stamped consent form is attached to this approval notice. Only the stamped version of the consent form may be used in recruiting research subjects.

If the project has not been completed by 7/15/2009 you must request a renewal of approval for continuation of the project. As a courtesy, a renewal notice will be sent to you prior to your expiration date; however, it is your responsibility as the Principal Investigator to timely request renewal of your approval from the Committee.

You are advised that any change in protocol for this project must be reviewed and approved by the Committee prior to implementation of the proposed change in the protocol. A protocol change/amendment form is required to be submitted for approval by the Committee. In addition, federal regulations require that the Principal Investigator promptly report, in writing any unanticipated problems or adverse events involving risks to research subjects or others.
By copy of this memorandum, the Chair of your department and/or your major professor is reminded that he/she is responsible for being informed concerning research projects involving human subjects in the department, and should review protocols as often as needed to insure that the project is being conducted in compliance with our institution and with DHHS regulations.

This institution has an Assurance on file with the Office for Human Research Protection. The Assurance Number is IRB00000446.

Cc: Richard Feiock, Advisor [rfeiock@fsu.edu]
HSC No. 2008.1350

APPENDIX B

SURVEY COVER LETTER

FLORIDA STATE UNIVERSITY

Richard C. Feiock
Augustus B. Turnbull Professor of Public Administration
Askew School of Public Administration and Policy
Room 627, Bellamy Building, 113 Collegiate Loop
Tallahassee, FL 32306-2250

November 6, 2008

Dear County Administrator/Manager:

We request you assistance in an investigation of county economic development being conducted by Jongsun Park, a Ph.D. student at Florida State University. This project is supported by a dissertation fellowship from the National Association of Counties (NACo).

Your completion of the brief survey attached here will help us gain a better understanding of how county governments organize their economic development activities. The survey should only take a few minutes to complete. The information produced in the project will be useful for county governments and we will share the results with you. We have enclosed a stamped return envelope for your convenience.

Your responses will remain confidential to the extent allowed by law and only aggregate statistical information for metropolitan areas will be reported. The results of the research study may be published, but your name will not be used. If you have any questions concerning the research study, please contact Jongsun Park at 850-491-6339 (jp03f@fsu.edu). Return of the questionnaire will be considered your consent to participate. If you have any questions about your rights as a subject/participant in this research you can contact the Chair of the Human Subjects Committee, Institutional Review Board, through the Vice President for the Office of Research at (850) 644-8633.

Your assistance is greatly appreciated.

Richard C. Feiock
Augustus B. Turnbull Professor of Public Administration

Jongsun Park
Doctoral Candidate, Florida State University

APPENDIX C

SURVEY QUESTIONAIRES

The Organization of County Economic Development Activities

State: __________ County Name: __________________

(1) Does your county have a written economic development plan?
☐ Yes ☐ No

(2) Does your county have home rule charter?
☐ Yes ☐ No

(2-1) If *yes*, in what year was the county home rule charter adopted? __________
(approximate if exact year is not known)

(3) What is your county's current form of government as defined by your charter, ordinance, or state law? *(check only one)*
☐ Commission ☐ Commission-administrator
☐ Commission-manager ☐ Commission-elective Executive

(3-1) Since January 1, 1990, has there been a change in your form of government?
☐ Yes ☐ No

(3-2) If *yes*, what was the previous form of government in your county?
☐ Commission ☐ Council-administrator
☐ Council-manager ☐ Council-elective Executive

(4) How many seats are on the county commission? _________

(4-1) How many of the commission seats are elected by district? ________
(If all at-large indicate "0")

(5) What organization or entity is most active in promoting economic development in your county?
____ *(specify)*

It is best classified as: *(check only one)*
☐ County government
☐ A chamber of commerce or other business group
☐ Public-private organization focused on your county
☐ Public-private regional partnership organization

☐ A council or association of governments in the metropolitan area
☐ An agency of a city government in this county
☐ Development district
☐ State or federal agency

(5-1) Since January 1, 2000, has there been a change in the most active organization in promoting economic development in your community?

☐ Yes ☐ No

(5-2) If *yes*, what was the previous active organization? *(check only one)*

☐ County government
☐ A chamber of commerce or other business group
☐ Public-private organization focused on your county
☐ Public-private regional partnership organization
☐ A council or association of governments in the metropolitan area
☐ An agency of a city government in this county
☐ Development district
☐ State or federal agency

(6) Within your county government, which of the following best describes the location of primary responsibility for economic development? *(check only one)*

☐ Office of the county commission or mayor.
☐ Office of the county manager/county administrator
☐ A single county department focused exclusively on economic development
☐ A county department with additional responsibilities *(such as community development etc.)*
☐ Primary responsibility is divided among several offices or departments

(6-1) Since January 1, 2000, has there been a change in the placement primary responsibility for economic development activities?

☐ Yes ☐ No

(6-2) If *yes*, what was the previous location?

☐ Office of the county commission or mayor.
☐ Office of the county manager/county administrator
☐ A single county department focused exclusively on economic development
☐ A county department with additional responsibilities *(such as community development etc.)*
☐ Primary responsibility is divided among several offices or departments

(7) Does the metropolitan area in which your county belongs have one or more regional partnership organizations for promoting economic development? *(regional development partnerships are alliances that are formed by local governments to enhance the economy of multiple jurisdictional areas, often with the aid of private firms and not-for-profit organizations.)*

☐ No

☐ Yes____(*organization name; the most active if more than one*)

(7-1) If *yes*, How many partnership organizations are in the metropolitan area?

____

(7-2) Since January 1, 2000, what changes in regional partnership have occurred?

☐ There were no partnerships in 2000

☐ The same partnerships were present in 2000 as now

☐ One or more partnerships have been created since 2000

____ (specify most recent)

☐ One or more partnerships have been become inactive since 2000

____ (specify most recent)

(8) For the most active regional partnership in your metropolitan area, check all of the following statements that apply.

☐ Our county is a member

☐ Our county serves on the governing board

☐ Our county makes financial contributions to support the partnership

☐ The partnership includes all counties in the metropolitan areas

☐ Governmental members includes cities as well as counties

☐ Some eligible governments choose not to participate in the partnership

☐ The partnership has full time staff

☐ The partnership originated as another organization *(such as a regional chamber of commerce or development corporation)*

☐ The governing board includes nonprofit organizations

☐ The governing board includes business members

☐ Private resources provide the majority of funding

(9) What activities do regional development partnerships in your metropolitan areas engage in? *(Check all applicable)*

☐ Regional advertising and marketing and promotion activities

☐ Site selection assistance to prospective firms

☐ Development of applications for federal/state grants or incentive funds

☐ Establishment of joint projects (such as an industrial/research park)

☐ Sponsorship of workforce development, entrepreneurship, or job training programs

☐ Development of strategic plans for regional economic development

☐ Coordination of local government programs
☐ Lobbying state or federal government officials
☐ Restriction or coordination of local government development incentives to business
☐ Development of infrastructures or regional facilities

(10) How frequently <u>do you or another official of your county contact</u> *(for information advice etc.)* development officials? :

	Weekly	Monthly	Annually	Never
☐ in the largest city in your county	☐	☐	☐	☐
☐ in other cities in the county (with populations of 25K+)	☐	☐	☐	☐
☐ in small cities in your county (population less than 25K)	☐	☐	☐	☐
☐ your counterpart in neighboring counties	☐	☐	☐	☐
☐ cites in neighboring counties	☐	☐	☐	☐
☐ in state agencies	☐	☐	☐	☐
☐ in development districts	☐	☐	☐	☐
☐ in federal agencies	☐	☐	☐	☐

(10-1) How frequently <u>is your county contacted by</u> *(for information advice etc.)* development officials? :

	Weekly	Monthly	Annually	Never
☐ in the largest city in your county	☐	☐	☐	☐
☐ in other cities in the county (with populations of 25K+)	☐	☐	☐	☐
☐ in small cities in your county (population less than 25K)	☐	☐	☐	☐
☐ your counterpart in neighboring counties	☐	☐	☐	☐
☐ cites in neighboring counties	☐	☐	☐	☐
☐ in state agencies	☐	☐	☐	☐
☐ in development districts	☐	☐	☐	☐
☐ in federal agencies	☐	☐	☐	☐

<u>Your participation is greatly appreciated!!!</u>

APPENDIX D

THE NUMBER OF COUNTIES IN UNITED STATES

STATE	NUMBER	STATE	NUMBER	STATE	NUMBER
Texas	254	Pennsylvania	67	Wyoming	23
Georgia	159	Florida	67	New Jersey	21
Virginia	134	Alabama	67	Nevada	17
Kentucky	120	South Dakota	66	Maine	16
Missouri	115	Louisiana	64	Arizona	15
Kansas	105	Colorado	64	Vermont	14
Illinois	102	New York	62	Massachusetts	14
North Carolina	100	California	58	New Hampshire	10
Iowa	99	Montana	56	Connecticut	8
Tennessee	95	West Virginia	55	Rhode Island	5
Nebraska	93	North Dakota	53	Hawaii	5
Indiana	92	South Carolina	46	Delaware	3
Ohio	88	Idaho	44		
Minnesota	87	Washington	39		
Michigan	83	Oregon	36		
Mississippi	82	New Mexico	33		
Oklahoma	77	Utah	29		
Arkansas	75	Alaska	29		
Wisconsin	72	Maryland	24		

* "An Overview of County Government." National Association of Counties. Retrieved 08-17-07 http://en.wikipedia.org/wiki/County_(United_States)

APPENDIX E

SURVEY RESPONDENTS IN U.S. COUNTIES

STATE	COUNTY NAME	STATE	COUNTY NAME	STATE	COUNTY NAME
AK	ALEUTIANS EAST	AK	BRISTOL BAY	AK	HAINES
AK	KETCHIKAN GATEWAY	AK	MATANUSKA-SUSITNA	AL	BIBB
AL	BULLOCK	AL	CALHOUN	AL	CHAMBERS
AL	COLBERT	AL	COOSA	AL	CULLMAN
AL	ELMORE	AL	FAYETTE	AL	FRANKLIN
AL	HALE	AL	LEE	AL	LIMESTONE
AL	MARENGO	AL	MOBILE	AL	MORGAN
AL	PIKE	AL	ST. CLAIR	AL	SHELBY
AL	WALKER	AL	WILCOX	AL	NORTHAMPTON
AZ	COCHISE	AZ	COCONINO	AZ	GRAHAM
AZ	MARICOPA	AZ	MOHAVE	AZ	TUSON
AZ	PINAL	AZ	SANTA CRUZ	AZ	NAVAJO
CA	CONTR COSTA	CA	EL DORADO	CA	INYO
CA	LAKE	CA	MADERA	CA	MARIPOSA
CA	MONTEREY	CA	PLUMAS	CA	SAN MATEO
CA	SANTA BARBARA	CA	SOLANO	CA	STANISLAUS
CA	SUTTER	CA	TULARE	CA	YOLO
CA	YUBA	CA	SACRAMENTO	CO	ARCHULETA
CO	DOUGLAS	CO	EAGLE	CO	GARFIELD
CO	GIPLIN	CO	GUNNISON	CO	LARIMER
CO	LINCOLN	CO	MESA	CO	OTERO
CO	RIO GRANDE	CO	ROUTT	CO	SAN JUAN
CO	SAN MIGUEL	FL	ALACHUA	FL	BAKER
FL	BAY	FL	BREVARD	FL	BROWARD
FL	CHARLOTTE	FL	CITRUS	FL	CLAY
FL	COLUMBIA	FL	DIXIE	FL	FLAGLER

FL	GLADES	FL	GULF	FL	HAMILTON
FL	HARDEE	FL	HENDRY	FL	HERNANDO
FL	INDIAN RIVER	FL	JACKSON	FL	LAKE
FL	LEON	FL	MADISON	FL	OCALA
FL	MARTIN	FL	KISSIMMEE	FL	PALM BEACH
FL	PASCO	FL	PINELLAS	FL	PUTNAM
FL	ST. AUGUSTIN	FL	ST. LUCIE	FL	SANTA ROSA
FL	SARASOTA	FL	SEMINOLE	FL	SUMTER
FL	SUWANNEE	FL	TAYLOR	FL	VOLUSIA
FL	WALTON	FL	WASHINGTON	GA	BAKER
GA	BARTOW	GA	BRYAN	GA	BULLOCH
GA	BURKE	GA	ATHENS-CLARKE	GA	CLAY
GA	COBB	GA	EVANS	GA	CRISP
GA	FAYETTE	GA	FULTON	GA	GORDON
GA	GRANDY	GA	GWINNETT	GA	HARRIS
GA	HENRY	GA	JACKSON	GA	JONES
GA	LANIER	GA	LEE	GA	LONG
GA	LUMPKIN	GA	MCDUFFIE	GA	MERIWETHER
GA	MITCHELL	GA	COLUMBUS-MUSCOGEE	GA	PIKE
GA	POLK	GA	SEMINOLE	GA	SPALDING
GA	TAYLOR	GA	TURNER	GA	TWIGGS
GA	WARE	GA	WHITE	GA	WHITFIELD
GA	WILKES	IA	SCOTT	ID	KOOTENAI
IL	CHAMPAIGN	IL	DEKALB	IL	HENRY
IL	LAKE	IL	MCHENRY	IL	MCLEAN
IL	MORGAN	IL	OGLE	IL	PEORIA
IL	STEPHENSON	IL	WINNEBAGO	IN	HENDERICKS
IN	KOSCIUSKO	IN	LAGRANGE	IN	LAKE
KS	BUTLKER	KS	FINNEY	KS	FORD
KS	OTTAWA	KS	HARVEY	KS	JOHNSON
KS	MCPHERSON	KS	MIAMI	KS	SALINE
KS	SEDGWICK	KY	BOONE	KY	KENTON
LA	CADDO PARISH	LA	RUSTON	LA	NATCHITOCHES

LA	ST. BERARD PARISH	LA	ST. CHARLES PAR	LA	ST. MARY PARISH
LA	ST. TAMMANY PARISH	MA	BRISTOL	MA	DUKES
MA	NANTUCKET	MD	DORCHESTER	MD	ALLEGANY
MD	BALTIMORE	MD	CAROLINE	MD	CECIL
MD	CHARLES	MD	GARRETT	MD	HOWARD
MD	KENT	MD	QUEEN ANNE'S	MD	ST. MARY'S
MD	SOMERSET	MD	TALBOT	MD	WASHINGTON
ME	CUMBERLAND	ME	KENNEBEC	ME	LINCOLE
ME	YORK	MI	BRANCH	MI	CALHOUN
MI	CHEBOYGAN	MI	CLINTON	MI	GOGEBIC
MI	GRAND TRAVERSE	MI	GRATIOT	MI	INGHAM
MI	JACKSON	MI	KENT	MI	MANISTEE
MI	MARQUETTE	MI	MASON	MI	NEWAYGO
MI	WASHTENAW	MI	PORT HURON	MN	BECKER
MN	BENTON	MN	CHISAGO	MN	DAKOTA
MN	DODGE	MN	ITASCA	MN	JACKSON
MN	LYON	MN	LICOLLET	MN	NOBLES
MN	RAMSEY	MN	POCK	MN	STEARNS
MN	WINONA	MN	YELLOW MEDICINE	MO	CLAY
MO	TANEY	MO	GALLATIN	MS	DESOTO
MS	HINDS	MS	LAMAR	MS	LAWRENCE
MS	MADISON	MS	NEWTON	MS	OKIBBEHA
MS	QUITMAN	MS	RANKIN	MS	TIPPAH
MS	UNION	MS	WARREN	MS	JACKSON
NC	ALEXANDER	NC	ASHE	NC	BERTIE
NC	BUNCOMBE	NC	CABARRUS	NC	CALDWELL
NC	CARTERET	NC	CATAWBA	NC	CHATHAM
NC	CHEROKEE	NC	CRAVEN	NC	CUMBERLAND
NC	CURRITUCK	NC	DAVIDSON	NC	EDGECOMBE
NC	GASTON	NC	GRAHAM	NC	GRANVILLE
NC	GREENE	NC	GUILFORD	NC	HALIFAX
NC	HENDERSON	NC	IREDELL	NC	MCDOWELL
NC	MARTIN	NC	MECKLENBURG	NC	MITCHELL

NC	MOORE	NC	ONSLOW	NC	ORANGE
NC	PAMLLCO	NC	PASQUOTANK	NC	PENDER
NC	PERSON	NC	PITT	NC	ROBESON
NC	SAMPSON	NC	STANLY	NC	TRANSYLVANIA
NC	TYRRELL	NC	VANCE	NC	WAKE
NC	WARREN	NC	WATAUGA	NE	SARPY
NH	CRAFTON	NJ	ATLANTIC	NJ	BERGEN
NJ	BURLINGTON	NJ	CUMBERLAND	NJ	GLOUCESTER
NJ	MIDDLESEX	NJ	MORRIS	NJ	SOMERSET
NJ	SUSSEX	NJ	UNION	NM	CIBOLA
NM	COLFAX	NM	GUADALUPE	NM	HIDALGO
NM	LINCOLN	NM	LOS ALAMOS	NM	OTERO
NM	QUAY	NM	RIO ARRIBA	NM	PORTALES
NM	SANDOVAL	NM	SAN MIGUEL	NM	SIERRA
NM	TORRANCE	NM	VALENCIA	NV	CHURCHILL
NV	CLARK	NV	ELKO	NV	HUMBOLDT
NV	WASHOE	NY	BROOME	NY	CATTARAUGUS
NY	CORTLAND	NY	FRANKLIN	NY	GENESEE
NY	JEFFERSON	NY	LEWIS	NY	LIVINGSTON
NY	NIAGARA	NY	ONTARO	NY	SARATOGA
NY	SCHUYLER	NY	WARREN	NY	WASHINGTON
OH	ALLEN	OH	CHAMPAIGN	OH	CLARK
OH	CLERMONT	OH	DEFIANCE	OH	DELAWARE
OH	ERIE	OH	FAIRFIELD	OH	FRANKLIN
OH	GALLIA	OH	GEAUGA	OH	GREENE
OH	LAKE	OH	LUCAS	OH	MARION
OH	MIAMI	OH	MONTGOMERY	OH	RICHLAND
OH	WARREN	OH	WOOD	OR	CLACKAMAS
OR	CLATSOP	OR	DESCHUTES	OR	HOOD RIVER
OR	LINN	OR	YAMHILL	PA	ALLEGHENY
PA	BUCKS	PA	CENTRE	PA	CUMBERLAND
PA	FAYETTE	PA	LAWRENCE	PA	LEBANON
PA	MERCER	PA	NORTHAMPTON	PA	VENANGO

PA	WASHINGTON	PA	YORK	SC	AIKEN
SC	ALLENDALE	SC	ANDERSON	SC	BAMBERG
SC	BARNWELL	SC	CALHOUN	SC	GAFFNEY
SC	CHESTER	SC	CLARENDON	SC	DILON
SC	DORCHESTER	SC	EDGEFIELD	SC	FLORENCE
SC	GEORGETOWN	SC	GREENVILLE	SC	GREENWOO
SC	HAMPTON	SC	JASPER	SC	KERSHAW
SC	LANSCASTER	SC	LAURENS	SC	LEE
SC	LEXINGTON	SC	MCCORMICK	SC	MARION
SC	MARLBORO	SC	ORANGBURG	SC	PICKENS
SC	RICHLAND	SC	SOARTANBURG	SD	HUGHES
TX	COLLIN	TX	KENDALL	TX	VAL VERDE
UT	WASATCH	VA	DICKENSON	VA	ACCOMACK
VA	AMELIA	VA	ANHERST	VA	APPOMATTOX
VA	ARLINGTON	VA	BATH	VA	BEDFORD
VA	BOTETOURT	VA	BUCHANAN	VA	CAMPBELL
VA	CHARLES CITY	VA	CHESTERFIELD	VA	CRAIG
VA	CULPEPER	VA	CUMBERLAND	VA	DINWIDDIE
VA	ESSEX	VA	FAIRFAX	VA	FAUQUIER
VA	FLUVANNA	VA	FRANKLIN	VA	FREDERICK
VA	GLOUCESTER	VA	GOOCHLAND	VA	GREENE
VA	HALIFAX	VA	HANOVER	VA	HENRICO
VA	ISLE OF WIGHT	VA	JAMES CITY	VA	KING WILLIAM
VA	LANCASTER	VA	LEE	VA	MADISON
VA	MATHEWS	VA	MONGOMERY	VA	LELSON
VA	NEW KENT	VA	NORTHUMBERLAND	VA	ORANGE
VA	PAGE	VA	POWHATAN	VA	PRINCE EDWARD
VA	PRINCE GEORGE	VA	PULASKI	VA	RAPPAHANNOCK
VA	RICHMOND	VA	ROCKBRIDGE	VA	ROCKINGHAM
VA	RUSSELL	VA	SCOTT	VA	SMYTH
VA	SOUTHAMPTON	VA	SPOTSYLVANIA	VA	WARREN
VA	WYTHE	VA	YORK	WA	CLALLAM
WA	CLARK	WA	FRANKLIN	WA	PACIFIC

WA	SPOKANE	WA	YAKIMA	WI	ADAMS
WI	BARRON	WI	BAYFIELD	WI	CALUMET
WI	DOOR	WI	LA CROSSE	WI	MARINETTE
WI	OZAUKEE	WI	ROCK	WV	BERKELEY
WV	BOONE	WV	BROOKE	WV	CABELL
WV	WOOD	WV	GRANT	WV	HANCOCK
WV	KANAWHA	WV	MCDOWELL	WV	MARSHALL
WV	PLEASANTS	WV	ROANE	WV	TUCKER
WV	WAYNE	WV	WEBSTER		

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BIOGRAPHICAL SKETCH

EDUCATION

Ph. D., Askew School of Public Administration and Policy, Florida State University, Fall 2009.

M. A., Public Administration, Kyung-won University, South Korea, February 2003.

B. A., Public Administration, Kyung-won University, South Korea, February 2001.

ACADEMIC EXPERIENCE

Research Assistant, Florida State University, 2006-2009.

Teaching Assistant, Research Design in Public Administration (PAD 5700) & Quantitative Analysis in Public Administration (PAD 5701), Florida State University, 2006-2009.

Program for Instructional Excellence Certificate, Center for Teaching and Learning, Florida State University. 2007.

Researcher, Social Science Research Institute, Kyung-won University. Korea. 2003.

Teaching Assistant, Department of Public Administration, Kyung-won University, Korea. 2001-2003.

AWARDS AND HONORS

Dissertation Grant Award, National Association of Counties (NACo), 2008.

ASPA Founders' Forum Fellow, American Society for Public Administration, 2008

Dissertation Research Grant Award, Florida State University. 2007

Ph. D. Dissertation Fellowship, DeVoe L. Moore Center, Florida State University. 2007.

Scholarship for Distinguished Graduate Student, Kyung-won University, South Korea, 2001-2003.

Scholarship for Distinguished Undergraduate Student, Kyung-won University, South Korea, 1995, 1999, 2000.

PUBLICATIONS

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"Collective Action and Externalities: Behavioral Pattern and Network Structures," with Hyunsang Ha and Richard Feiock, Annual Meeting of the Florida Political Science Association (FPSA). St. Petersburg, Florida, April 12, 2008.

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PROFESSIOANL AFFILIATIONS

American Society for Public Administration.