

The Regional Economic Development Bibliography and Data Base (TRED/Biblio)

Final Report

Prepared for a Subcommittee of
the City of Pittsburgh and Allegheny County
Service Consolidation Task Force on Economic Development

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Preface

This bibliography was assembled and the report written during the summer and early autumn of 1994--before the November 16th release of The Greater Pittsburgh Region: Working Together to Compete Globally [Allegheny Conference on Community Development 1994c (39.05)]. While we have included this document and several related reports in this bibliography [Carnegie Mellon University et al. 1994c (107); Conference on Real Estate of Southwestern Pennsylvania 1994 (117); Gleeson 1994 (179); Pittsburgh High Technology Council and the Southwestern Pennsylvania Industrial Resource Center 1994 (277); Enterprise Corporation of Pittsburgh 1994 (159)], we have not yet reviewed the latter two reports (277; 159) nor have we included an analysis of the full set of recommendations from the Regional Economic Revitalization Initiative (RERI) (39.05) or the update on the Allegheny Conference on Community Development's 1991 agenda, Working Together to Compete Globally: Lessons from the Past, Strategies for the Future [ACCD 1994d (39.06)].

Nonetheless, we feel that our analysis of the economic development reports from the last decade and our stated expectations for future initiatives are supportive of this most recent set of initiatives. However, we see many of these recent initiatives more as evolutionary than as revolutionary. Indeed, we feel that many of the current initiatives should be more explicitly associated with initiatives that were taken as part of the Chancellor's Conference Recommendations (387) in 1983 and A Strategy for Growth (28) in 1984.

We find that one of the missing elements in RERI and, as you will read, in other economic development initiatives is the acknowledgment and careful assessment of earlier strategies' accomplishments. While RERI may be successful, investors would be much better served if there were more explicit bases for some of the "Flagship Initiatives: An Agenda for a New Beginning."

Furthermore, we do not agree that these initiatives, as meritorious as they may be, are "a starting point"; we see them as logical and essentially incremental initiatives that would be stronger if they were based on more explicit assessments of past practices of relevant economic development organizations. We also feel that the evolutionary nature of these current initiatives has limited the openness of the process that has been used up to this point. In the past the practice was to use a "top-down" corporate-based model; in spite of assertions to the contrary that same model seems to be in force.

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EXECUTIVE SUMMARY

Today's regional economy, while showing some progress during the past few years in its long term recovery, has not instilled the sort of confidence in the community's leadership that might have been expected in 1984 when the Allegheny Conference on Community Development released its Strategy for Growth. Indeed, regional economic development initiatives in Southwestern Pennsylvania will be stymied until public and private interests find common grounds on which to establish reinforcing strategies. We think this can happen through more open planning processes that stress:

- Mutual needs of participants,
- Well done policy analysis and program evaluation, and
- Meaningful participatory processes.

These views and many others are contained in an extensive collection of reports, articles, program descriptions, and other analyses and publications that, taken together, can be used to understand developments in the regional economy. These documents constitute an extraordinary record of locally based efforts in economic development. We have reached two overarching findings about this bibliography: 1) It is an extensive and rich source of information, insight, and policy; and 2) Its contents are not well known to key people in the economic development business unless they have done or sponsored the reported activities.

Based on our analysis of the key documents in this bibliography we offer a number of conclusions, findings, and recommendations for further studies.

- *Southwestern Pennsylvania economic development efforts over the last decade have produced, as a by-product, a very rich collection of analyses.* This project amassed over four hundred items relating to this region's economic development. As our analysis shows, this material has covered an extraordinary array of topics and has included the consideration of many ideas, some of which have been implemented. This is an extraordinary resource for people and organizations concerned with economic development.
- *The climate for leadership in Pittsburgh has changed.* Many of the documents we reviewed stressed the importance of recognizing that change as new institutions emerge to take on some of the tasks. New partnerships, often involving the universities and other nonprofit institutions, have sought out avenues of growth in sectors such as health and biomedical industries, software and robotics, while working to strengthen the existing industrial base in sectors such as transportation, metalworking, and environmental industries. Many community-based organizations have organized more effectively in terms of economic development, constituting a new core of smaller activities, often linked to larger, regional and

statewide entities. These new leaders in economic development are largely from the nonprofit community, often with foundation and state support.

- *Many of these documents have championed the call for greater coordination in regional economic development.* The proposals calling for that coordination differ, but generally they use other regions' coordinated economic development organizations as their blueprint. The main thrust for this, though, must stem from local governments taking the lead in creating that coordination. A better coordinated regional economic development direction must entail local governments acting cooperatively at the outset. Cooperation could create a regional economic development authority, which has been proposed or discussed over the years by many documents reviewed here, including work on or by Richard Caliguiri, Roger Ahlbrandt, and the Regional Economic Revitalization Initiative.
- *Public and private interests need to find more common grounds on which to establish reinforcing strategies.* Within the public sector, the city of Pittsburgh and Allegheny County have found areas of common interest that produced alliances in projects such as education and training, Strategy 21 capital projects, and the Regional Assets District, among others. Economic development represents another area where more cooperation is possible and desirable.
- *What constitutes economic development must be addressed.* Many of our entries present critiques of regional economic development efforts that systematically left behind core constituencies and parts of the region. Likewise, many of these critically and positively assess innovative efforts that some of these people and places have developed, often with foundation and state funding. Oftentimes these initiatives represent capacity-building efforts for individuals, businesses and communities. Consequently, they operate over a longer term than more typical economic development activities and hence, should be viewed that way.
- *What government should do to promote economic development finds a tension existing between those organizations that represent primarily the traditional business community and those that represent other groups, such as neighborhoods, labor, and small businesses.* While the former advocate government spending in areas such as infrastructure building, the latter advocate for policies on entrepreneurship, sectoral targeting, funding assistance, and business development. The foundation community plays an important role in these newer economic development ventures. These are, by and large, nonprofit organizations that receive their funding from a combination of public, private, and university and other nonprofit sources.
- *Dissatisfaction with prospects in the regional economy by members of various communities exists.* This dissatisfaction is expressed in a number of reports, including those on airport development, the relative decline in the African-American community, types of jobs created, transportation planning, and business climate.

- *Despite the number of studies and initiatives, parts of the regional economy, such as the Mon Valley, continue to languish with few signs of rejuvenation.* Broadly-based regional efforts have focused on individual firms and communities in the Valley, but these have not been incorporated into a larger view of the regional economy. Many have noted that many segments of the population, minorities, women and displaced workers, for instance, were "not part of the public agenda-making process" (Coleman). Activist community-based groups, though necessary for legitimating other organizations' economic development plans, had little influence on the economic development agenda (Jeziarski). Furthermore, a gap exists between stated goals concerning social concerns and implementation of projects. This is particularly apparent when stated goals include addressing social factors, which are largely ignored when funding goes to large-scale, capital projects.
- *Many of the region's economic development programs have ambitious missions; their performances need to be evaluated.* The Greater Pittsburgh Revitalization Initiative's evaluation of a number of regional programs represents the type of analysis needed.

Finally, we recommend the following steps be taken jointly by the city of Pittsburgh and Allegheny County governments in cooperation with others, such as the ACCD and the Pennsylvania Economy League:

1. A comprehensive inventory and analysis of all economic development organizations within the region to learn how each organization was established, who governs it, what each has done, with whom it has collaborated, and from whom it receives financial support.
2. Current comprehensive examination of labor market study of skills, occupations, mobility, and migration.
3. Systematic analysis of potential local government reforms that might affect the region's economic development. These might include more collaboration between the city and the county on investment programs, business assistance, project evaluation, land use regulations and tax based sharing.
4. Evaluation of the region's attraction and marketing efforts, including both domestic and international firms through analysis of tourism and entertainment opportunities and better marketing of the business climate facts.
5. Continued work studying current retention efforts, e.g., the GPRI report. Also needed is a study of retention needs of nonmanufacturing firms, such as air services, universities, and importantly the health sector.
6. Studies examining linkages and relationships among firms and industries. Needed are studies at the firm level of key sectors in the regional economy, including emerging industries such as information technologies, robotics, and software, along with sectors such as metalworking and environmental industries.

7. Greater efforts to understand better the nature of business assistance that firms receive and seek.

INTRODUCTION

The Pittsburgh region has undergone a tremendous economic transition over the past decade and a half. The closing of steel mills and shuttering of factories resulted in the loss of tens of thousands of manufacturing jobs. Over the same period, other sectors have seen job growth, particularly in services and more particularly in selected services such as education and health care. The Pittsburgh transition continues today, though not as dramatically as in the past.

As one consequence of these changes, many public agencies, nonprofit organizations, individuals, private firms, academics and others have studied or reported on various aspects of economic development and changes in the region. A decade ago, the focus was mainly on the steel mill closings and the high unemployment suffered by many, particularly in the Mon Valley. Many attempted to forge regional solutions to the problems, which originated in the larger corporate, national and international economic environment, and build on the famous Pittsburgh Partnership conceived decades earlier (ACCD 1984a [27]; Muller 1984 [241]; 1988 [242]; Reaves 1993 [333]; Stewman and Tarr 1983 [373]). Today, with many economic and social problems persisting, some leaders from the community find that the region lacks a clear direction in its pursuit of economic development projects and goals and needs a "shared economic vision" for the region as a whole [Florida and Gleeson 1993 (166)]. What happened during the intervening years, between the region's economic crisis and today's more ambiguous state of the regional economy, reflects a tension among some parts of the economic development establishment as to what happened and what should have been done over the decade and what should be done next.

These views, along with many others, are contained in an extensive collection of reports, articles, program descriptions, and other analyses and publications that, taken together, can be used to understand developments in the regional economy. This project is the result of reviewing and analyzing this set of studies.

THE SCOPE OF THE PROJECT

This report was commissioned by a subcommittee of the City/County Consolidation of Services Task Force on Economic Development, headed by Raymond Reaves of the Allegheny County Department of Planning and Dr. Mulugetta Birru of the City of Pittsburgh Urban Redevelopment Authority. The aim is to analyze the existing economic development literature of the region and to make a set of recommendations to the subcommittee. A solid understanding of the work that has already been produced can better inform public policy decisions regarding regional economic development.

In this report, we examine the following questions: What key issues emerge across a decade of individuals and groups conducting studies and reports on the regional economy? What contradictions or paradoxes emerge from this literature?

Where are the gaps in understanding? What important areas have been systematically or unintentionally understudied or missing from our understanding of the regional economy?

To answer these questions, we amassed a bibliography of over 400 items, drawn from a wide range of key economic development institutions, officials, and analysts in the region. While not exhaustive, we believe that we have attained a reasonable degree of comprehension in building this bibliography.

We have classified each item in the bibliography in a data base along a number of factors: type of report, industry focus, geographic focus, and key words.¹ We begin this report by first discussing the contents of the bibliography by types of reports that have been produced over the past decade. We then identify a set of critical documents from which a set of key themes on regional economic development emerges. Following this analysis of critical studies, we proceed to analyze those key themes in the context of economic change in the region and how they inform our current understanding.

THE SET OF DOCUMENTS AND REPORTS

We reviewed materials for this bibliography that were published over the past decade -- 1984-1994 -- and amassed a collection of over 400 items. The documents contained in this bibliography pertain in different ways to economic development in the Pittsburgh region. For analytic purposes, we have characterized them according to the following types:²

- Program Descriptions produced by an organization;
- Analytic Documents using economic and demographic data;
- Program Evaluations assessing program operations and objectives;
- Strategic Documents articulating economic development strategies;
- Program Proposals initiating or planning new projects or programs; and
- Reference Documents usually representing a data resource.

¹ See Appendix A for description of the methodology.

² In addition to understanding the types of reports that are contained in this bibliography, it may be helpful to know that approximately 90 percent of the documents address this region or specific places in it. About 20 percent of the documents focus on the city of Pittsburgh and 20 percent focus on Allegheny County often together with Pittsburgh. The remainder deal with the Southwestern Pennsylvania region and its parts. We have also included other select documents which view the Pittsburgh region as part of a larger geographic area, including the Commonwealth of Pennsylvania and the Great Lakes region. Additionally, about half of the documents in the bibliography have an industry or economic focus. Of these about half consider the overall economy and the other half consider specific industry groups. Most notable is that almost fifty documents deal with manufacturing industries, about 40 deal with advanced technology businesses, and about a dozen deal with either retailing, culture and entertainment, or services businesses.

The most frequently noted type of report is the analytical document (see Table 1). These documents emphasize the analysis of data on economic or demographic conditions, programs or projects, or key issues. We also found three types of what we call "program" documents. These include Program Descriptions, which are documents that organizations prepare to explain the programs and projects they are administering and are often promotional. In a few cases these documents are done by "outsiders," but the norm is that these documents are done by an organization's staff or consultants. Program Evaluations represent documents in which specific programs or projects are assessed in terms of the degree to which they are achieving their objectives efficiently and effectively. Most of the program evaluations that we have found are done by "outsiders" who have been contracted by the organization undertaking the program. There are also documents in which proposals are made to initiate new programs or projects. These documents often contain analysis and evaluation, but their primary purpose is a Program Proposal.

In addition to analytic documents and programs documents, we have also classified two other types of materials. Most important are the Strategic Documents, in which we often have the most interest because they represent the basis for actions that are contemplated to resolve some problem or to exploit some opportunity. A handful of these documents have been very significant since 1984. These are the documents that have articulated economic development strategies and tied them to the community through collaborative processes with various constituencies. They represent the basis for best understanding the evolution of economic development activities in this region.

The other remaining documents include Reference documents. These are typically directories of client groups or programs or valuable data resources.

Table 1
Economic Development Bibliography by Types of Reports

<u>Types of Reports</u>	<u>Number</u>
Analytic Documents	159
Program Descriptions	68
Program Evaluations	51
Program Proposals	36
Reference	15
Strategic Documents	61

There are two overarching findings about the bibliography itself:

- It is an extensive and rich source of information, insight, and policy; and
- Its contents are not well known to key people in the economic development business unless they have done or sponsored the reported activities.³

In the following section, we concentrate on examining chronologically the key strategic documents to point out the major findings and the dominant analyses and strategies about economic development over the period.

The Period of Transition: Pre 1984-1994

In reviewing these documents published mainly between 1984 and 1994, we trace many themes. We find no paucity of ideas, but we do find paradoxes and the realities of civic interests trying, sometimes desperately, to return to the past or to "bend the trends" of a region's economy that can never again be characterized by the lyrics of George Thurston's 1886 song:

I'm Pittsburgh, the city of iron and steel,
The city of crucible forge and mill;
The mines of the world my treasury is;
The forces of earth is slave to my will.

We would like readers to remember the Pittsburgh region's economic history. It is a history that has been well characterized by many authors; but Stefan Lorant's Pittsburgh: The Story of an American City⁴ is probably the most widely read of these. In nine individually authored chapters this book moves the reader from "Forts in the Wilderness" through "The Hearth of the Nation" to "Problems of Labor" to "Rebirth by David L. Lawrence."

In chapters on Pittsburgh during the 1970s and "Renaissance II" Lorant demonstrates not only what was done but also who was responsible for doing it. But, his last paragraph reminds us of how profound the surprise of steel's demise must have been on the civic leadership at the beginning of our study period, 1980:

During the seventies some 100,000 people moved out of Pittsburgh. Now some are coming back. "The people are regaining their confidence in the city. They realize that it is a place to live, to work, and play," says the mayor (Richard Caliguiri). The exuberant feeling of the first Renaissance is back. Pittsburgh is once more on the march. Its future looks golden.

Today we find that the Pittsburgh regional economy looks more similar to the rest of the nation than it did in 1980. The Pittsburgh region does not have a dominant

³ See Appendix A.

⁴ Lenox, Massachusetts: Authors Edition, Inc. November 1980.

sector in its economy, such as steel, any more. By any reasonable standard -- and Edgar Hoover's landmark Economic Study of the Pittsburgh Region, funded by the Ford Foundation in the early 1960s (Pittsburgh Regional Planning Association 1963 [283]), is the most relevant standard -- the region's economy is diversified; it has "modernized." Most of this diversification has happened due to forces that are outside local control; some of the modernization has happened in conjunction with locally based, publicly accountable organizations like the Ben Franklin Partnership (BFP), the Southwestern Pennsylvania Industrial Resource Center (SPIRC), Penn's Southwest, the Pittsburgh High Technology Council (PHTC), along with government agencies, corporations, foundations, and the universities.

Documenting the Transition

From the documents in the bibliography we have a few findings about current satisfaction with the economic development "enterprise" in the Pittsburgh region.

Carnegie Mellon University is currently leading an effort, the Regional Economic Revitalization Initiative (RERI), with the Allegheny Conference on Community Development⁵ (ACCD 1994 [39]; Gleeson 1994 [179]), to reconsider the structure that has evolved to undertake economic development initiatives. The suggestion is that past efforts have not achieved their potential because "key stakeholders from business, labor, government, education, civic organizations, and foundations in Southwestern Pennsylvania do not have a widely shared vision of what the region's economy can be" (Florida and Gleeson 1993 [166]).

We know that one of the underlying bases for the RERI effort is that dissatisfaction has been expressed about economic development efforts during the last decade. The Allegheny County 2001 survey reported the public's disappointment with regional economic development achievements. When a representative sample of County residents were invited to identify the one change they would like to see made by 2001 in this area, economic change dominated their responses, particularly in the form of more and better jobs. Over half of all respondents reported being dissatisfied with the efforts to revitalize the area's economy (DeAngelis 1992 [138]).

We know that there is criticism in Pittsburgh's neighborhoods of locally based economic and community-based initiatives. This is most recently documented in an article, "Redeveloping Pittsburgh: New Directions for a New Century?" (Fanzo 1994 [163]), through remarks that are attributed to key neighborhood leaders and members of Mayor Murphy's staff. Mayor Murphy ran on an aggressive platform of economic and community development (Murphy 1993 [244]) and has demonstrated a will to put

⁵ We will use ACCD and the Conference interchangeably in the text to refer to the Allegheny Conference on Community Development.

the municipality's financial matters in order through tough management procedures while acting on some ambitious development initiatives.

We also know that there is disappointment in metropolitan efforts such as those being undertaken by the Southwestern Pennsylvania Regional Planning Commission and Development Council (SPRPC/DC). Some studies see the organization as an extension of federal programs -- it has been characterized as a "political trading organization" without any means of making strategic regional investments. More specifically, SPRPC/DC's long range plans for economic development (SPRDC 1994a [361]) and transportation improvements (SPRPC 1994c [371]) are weighted towards areas outside of Allegheny County, as is their governing board. Furthermore, there are no business interests represented on the board. Disagreements with this weighting and related issues were manifested when SPRPC's long range transportation plan was not supported by the SPRPC's Allegheny County representatives and was at least tacitly challenged, but not voted against, by the representatives of the city of Pittsburgh.

These current views of local and regional economic development stimulated us to comment on what has happened since the early 1980s when major workforce reductions and manufacturing plant closings were headlined (Levdansky et al 1984 [218]), when over 100,000 workers were displaced, and when almost every publicly accountable organization pledged to alter its mission in response to this economic trauma. Essentially, the region's economy, while showing some progress during the past few years in its long term recovery, has not instilled the sort of confidence in the community's leadership that might have been expected in 1984. It is also true that the human consequences of this recovery have not been evenly distributed among the region's residents. Particularly hard hit from the region's economic restructuring has been the African-American community, whose relative standing in both the City and County has fallen to among the worst in the nation [Bangs and Hong 1994 (71)].

It is important to keep many ideas in mind as we assess economic development initiatives, and even as we assess the materials in this bibliography in particular. Reviewing Lorant's book reminds us of how external circumstances (the growth of the nation), locally-based resources (minerals and the rivers), and philanthropy have driven the civic leadership to make investments in the long term future of the region's people (civic centers, libraries, etc.) and encouraged locally elected officials to support these investments. We now turn to the critical strategic documents to examine them in this light.

The Conference's and Chancellor's Reports: 1983-1984. Now that corporate leadership is declining and is not as Pittsburgh-based as it used to be, many pieces written in the last decade point out that a new sort of leadership has emerged (Ahlbrandt 1984a [1]; Kahn 1984 [208]; Ahlbrandt and Coleman 1987 [25]; Mitchell-Weaver 1991 [237]). Leadership and inter-organizational coordination are the two prevailing themes in most

of the "action oriented" materials that we have reviewed. Here it is necessary to take each one of these key documents along these themes.

In 1983 thirty-five recommendations were made at The Chancellor's Conference: Recommendations for Southwestern Pennsylvania's Regional Development Strategy for the 1980s and 1990s [University of Pittsburgh 1983 (387)], after two days of intense discussions among key men and women from government, corporations, organized labor, academe, and non-profit organizations at Hidden Valley. The recommendations were organized around two main themes: 1) All sectors should work together to increase the level of communication among all parts of the southwestern Pennsylvania community; and 2) The human consequences of economic restructuring of the region must be recognized and taken into account.

For both of these, the report recommended the ACCD's Economic Development Committee take up these issues in the appropriate Task Force for the A Strategy for Growth: An Economic Development Program for the Pittsburgh Region study [Allegheny Conference on Community Development 1984b (28)]. There were specific recommendations for economic development, capital formation, human capital, infrastructure, and local government. In this respect, the recommendations linked business investments, publicly accountable education, and local government reform together as the basis for a regional development strategy. This broad strategy was the context within which the Allegheny Conference's Strategy for Growth was presented a year later.

The Conference's A Strategy for Growth reports on a leadership process that began in 1981. Like the Chancellor's Conference recommendations, it "calls on all sectors of our community -- business, government, labor, finance, education, and civic groups -- to work together in consciously shaping our economic future .. [and] .. provides a strategy for growth: a well-researched framework for undertaking this complex and difficult task, and an action program for beginning the work."

Five basic premises formed the strategy's foundation:

- 1) *The inevitability of change*: "The stable, successful metropolitan area of the future is not likely to be a Steel City, or a Motor City .. or even a Silicon Valley;"
- 2) *Advances on a broad economic front*: This premise envisioned a diversified economy (products & services; mature, new, and different industries);
- 3) *A long-term and naturally evolving focus*, "rather than try to impose short-term 'fixes' upon the region;"
- 4) *Private sector oriented and market driven*: Government's role is to help increase efficiency and support the private sector; and
- 5) *Coordinated action rather than central planning*: "Centralized economic planning tends to be inflexible and unresponsive. Thus the strategy presented here does not call for any master planning agency, nor for a great proliferation of new specialized agencies."

As noted in Volume 2 of the study, there were many more ideas than could reasonably be acted upon and supported. The leadership focused on three objectives and announced its intent to support several specific initiatives.

- 1) *Business and Job Development*: developing and recruiting new companies, retaining existing companies and encouraging their expansions through a seed capital fund, commercializing new technologies, establishing technical support networks, providing business assistance in financing and market penetration, and targeting potential growth generating businesses to be recruited;
- 2) *Improving the Economic Environment*: expanding education and training, improving the labor climate, marketing the region, customizing job training, addressing myths and realities of labor problems, and establishing an office to promote and market the region; and
- 3) *Upgrading the Infrastructure*: by convening public and private leaders to find \$3 billion for roads and bridges, upgrade the international airport, and get dedicated public transit funding.

Compared to the recommendations of the Chancellor's Conference, the ACCD's commitments were narrow and pragmatic. They realized, as noted in their report's second volume, that many other actions would be required. In that document nine sets of task force recommendations were made; they addressed advanced technologies, manufacturing, services, corporate headquarters, international trade, infrastructure, human resources, business climate, and quality of life. Since issuing this strategy, ACCD used periodicals to report on its progress [29-37].

While the Chancellor's Conference addressed local government issues, the Strategy for Growth did not. Accordingly, the second Chancellor's Conference, Municipal Financial Distress and Emergencies [University of Pittsburgh 1984a (388)] was convened. It is generally credited with stimulating the introduction and passage of municipal fiscal distress legislation for the Commonwealth. An important reason to bring together the 100 key participants was that regional structural change was having a profoundly negative influence on the municipalities most directly impacted by plant closings and workforce reductions. Furthermore, there was a general sense that municipal fragmentation was inefficient and, therefore, detrimental to economic development initiatives.

The Place-Based Strategies. By 1987 a number of strategies were being presented about the region's key centers: the City of Pittsburgh, the Mon Valley, and the Pittsburgh International Airport.

Pittsburgh's Economic Development Strategy [Pittsburgh, City of, Urban Redevelopment Authority 1987b (304)] included a historical overview, projections of trends, a development strategy and priorities for development. Its conclusions emphasized growth in education, health, and business services; supported the view that the limited manufacturing remaining in the City should be supported and modernized; advocated efforts to retain business's corporate headquarters; and called for the

expansion of retail trade, tourism, transportation. There was not a strong emphasis on activities or initiatives that were outside the corporate boundaries of the city of Pittsburgh. The strategy's goals were:

- Retain key industries of the economic base, including small businesses.
- Stimulate and encourage expansion of industries with growth potential -- identify industries and assist them.
- Initiate and implement development projects for the city.
- Establish a continuing process to monitor developments of local, regional and national economies.
- Identify strengths and opportunities to support economic development.
- Market the city.
- Address disadvantaged groups.
- Identify and overcome impediments to economic development, land labor capital.

The Report to the Allegheny County Board of Commissioners: for the Economic Revitalization of the Monongahela, Youghiogheny, and Turtle Creek Valleys [Mon Valley Commission 1987 (238)] was prepared by a commission appointed by the Allegheny County commissioners. A set of task forces focused on: manufacturing, non-manufacturing, transportation, education and labor, environmental systems, housing and human services, and local government. Each of these task forces prepared reports that were then edited and included in this comprehensive program for revitalization. The key message was that new ways were needed to deal with the problems of the Valley -- that all the "pickup sticks" had to be picked up and a new game begun. To take the first steps toward revitalization, the task forces requested resources from various state and local agencies. Most of the proposals were for further studies, for the creation of a set of focused organizations or for Commonwealth legislation to provide oversight on Mon Valley municipalities.

In the year following the release of these recommendations, a very special international event, "Remaking Cities", was convened here. As part of that international conference a R/DAT, "Remaking the Monongahela Valley," was convened. The outcomes of the R/DAT [Regional/Urban Design Assistance Team 1988 (334)] and the conference [Davis 1989 (129)] are especially interesting because the majority of conferees were people from outside of this region who had experienced similar changes in their industrial regions. Their views, while often dismissed by locally-based economic development professionals as being too architectural or unrealistic, continue to have value as economic development scenarios for the valleys as people begin to consider development alternatives to manufacturing uses, such as river-oriented living and recreation.

Both universities dedicated considerable attention to the Mon Valley. In 1987 CMU released results of a major effort (48, 99) in which their faculty and students

reviewed pertinent literature and addressed demographics, health care, public finance and economic redevelopment.

About the same time Jim Cunningham was leading groups of University of Pittsburgh faculty and students in various examinations of the valley's communities: "Aliquippa" [Cunningham and Cairns 1986 (124), University of Pittsburgh 1984b (389)]; "Steel People" [Cunningham and Martz 1986a (125)]; and "Trouble in Electric Valley" [Cunningham and Martz 1986b (126)]. As summaries of this collection of research two important pieces were prepared: "The Impact of Social-Economic Change on Households in Six Communities in Southwestern Pennsylvania" [Yamatani et al 1989. (402)] reported on the severe impacts of the plant closings on those who stayed in the valley. Cunningham [1989. (123)] focused on recovery strategies. He demonstrated that there were strong and weak communities in the valley. As a way of thinking more clearly about recovery options, he lauded the R/DAT process as creating alternative visions and suggested several others: "Geriatric Village," "Away-from-the Rat-Race Town," and "Enterprise Exurbia." In 1988 the University of Pittsburgh convened its third chancellor's conference, "Mill Towns: Despair, Hopes, and Opportunities."

It was also about this time that An Agenda for Development: Greater Pittsburgh International Airport Impact Area Plan (GAI 1988 [169]) was released. This report outlined a number of development activities that could be stimulated by the airport's construction and encouraged by public policies. Since that time there has been considerable attention given to the new international airport and general expectations for associated development occurring around it. It has generally been accepted as one of the region's primary "growth nodes."

Several studies have been released that elaborate on and assess potential development concepts [Carnegie Mellon University 1989. (101); Carnegie Mellon University. 1990a (102); Sweet (K.S.) Associates 1993 (378); Deitrick and Harrison 1994 (155)] or focus on ground transportation concepts including a multi modal corridor to the airport [Southwestern Pennsylvania Regional Planning Commission. 1989. (366)], and airport busway using the Wabash Tunnel for High Occupancy Vehicles [Allegheny County Port Authority 1992 (48)] and air cargo development strategies [Southwestern Pennsylvania Regional Development Council 1994 (362)] that would link the new airport to economic development opportunities. Two years after the opening of the new Pittsburgh International Airport, however, the spin off developments have been disappointing. The assertion is made that development has been thwarted by problems with image, environment, and local politics [Wolverton 1994 (400)]. It might also be the case that higher than reasonable expectations for spin off developments in a short time have made today's outcomes seem disappointing.

The Projects-Based Strategies. In the mid 1980s, local governments recognized the need to present a coordinated region-wide approach to the Commonwealth of Pennsylvania for funding its capital improvement projects. "Strategy 21" became this region's mechanism for accomplishing this task. A Proposal by the Strategy 21 Partners

to the Commonwealth of Pennsylvania [Pittsburgh, City of, Allegheny County, and Allegheny Conference on Community Development 1992 (286)] is the latest edition of this seven year collaboration of local area entities with the Commonwealth of Pennsylvania to "bring the Pittsburgh region's strengths up to competitive world class standards through investment in significant assets and opportunities that enhance the region's attractiveness for its residents and for private investment, and to enhance its image around the globe in business, education and the arts."⁶

While viewed as only a listing of projects, each Strategy 21 document has articulated strategic goals, though these have changed over the years. In the 1985 report these goals were to: 1) reinforce the region's traditional economic base as a center for the metals industry and international corporate headquarters; 2) convert underutilized land, facilities, and labor force components to new uses, especially those involving advanced technology; 3) enhance the region's quality of life; and 4) expand opportunities for women, minorities and the structurally unemployed. The actual projects, though, centered largely on high technology, infrastructure and recreation, as the year's projects included the International Airport, Three Rivers Stadium, the Center for Science and Technology, Mon Valley revitalization, highways (including the Southern Expressway), and university advanced technology research.

In the 1988 edition, the goals remained the same but some slightly different projects were given priority, notably: Herr's Island, several specific Mon Valley projects, and several specific university initiatives. In other words this edition of Strategy 21 become more specific and, accordingly, the project list was longer.

In the context of American local government the early Strategy 21 efforts [Coleman 1988 (113)] were used as case studies of the post World War II evolution of locally initiated economic development and partnerships. Coleman concluded that Strategy 21 reflected "a fragmented, incremental, regional decision-making process that provides access and authority to business and university sectors. Other sectors of the community such as minorities, women, displaced workers, are not part of the public agenda-making process. If other interests had participated, a significantly different agenda might have emerged, with more emphasis on sustained public job creation and development of low-technology industry."

Many of Coleman's points had been suggested by Ahlbrandt (1984b [2]) and were also reflected by the Working Group on Community Development. Shaping Our Future: A Community Vision for Pittsburgh Regional Development [Working Group on Community Development. 1987. (401)] was a collaboratively drafted document, set against the ACCD's Strategy for Growth and the first Strategy 21 document. The Working Group sought to answer a basic question: "[H]ow should public subsidies be used to spur regional growth and prevent destructive social, economic, and racial

⁶ From time to time, Allegheny County published its state legislative program. The 1993-94 edition [54] supported the economic development program in Strategy 21.

polarization?" They first summarized Peter Bearse's analysis in which he addresses the role for computers, robotics, biotechnology, health care, tourism, and traditional manufacturing. The recommended focus areas included: education (curriculum, local procurement policy, less locally dependent tax revenues); business formation (attract businesses to distressed places); local industrial policy (various carrots and sticks as well as research); neighborhood reinvestment and linkages (airport and Mon Valley highways, core retail, neighborhood improvements, job placement for low- and moderate- income people); low-income communities; community decision making; and creation of a new citizen based organization. Shortly afterwards the Citizen's League was formed with some initial support from foundations and others.

About this same time the Allegheny County Planning Department commissioned Dr. Susan Hansen, a political scientist at the University of Pittsburgh who had recently studied state economic development efforts (189) and was in the process of writing about Pennsylvania's experiences (191), to examine Allegheny County's economic development options. Her review of the social science literature [Hansen 1988a (190)] concluded that even though local (county) governments can do relatively little to influence their economies in the face of international, national, and state factors more counties found economic development to be an important element in their policy agenda. Accordingly, the author organized a literature review into the following categories: infrastructure (roads and airports); financing; enterprise zones; education (community colleges); manpower policies; foreign trade zones; and business assistance programs. The author also made several recommendations to Allegheny County and the Pittsburgh SMSA:

- Base infrastructure investments on demand (business, employment location, and population);
- Focus education initiatives on community colleges (their graduates are more likely to stay; they are less mobile);
- Privatize airport functions for an important source of revenue;
- Find a method for sharing the revenues of growth;
- Seek better economic development and education (JTPA) coordination;
- Take initiatives on two career families and women entrepreneurs;
- Do not expect short-term progress on job creation;
- Aim at the long term (quality of life, particularly in education and environment);
- Evaluate economic development on the basis of new business formation, investment capital generated, and economic diversification;
- De-emphasize tax subsidies as a tool to attract businesses;
- Buy a "good" industry/occupation forecasting model like Wilbur Thompson's;
- Establish an international development strategy, particularly with Canada;
- Develop a better "reverse flow" transportation system to get center city workers to new jobs.

In the 1990 edition of Strategy 21, another set of strategic goals was established based on the premise that "the insular, manufacturing dominated economy of the 1970s left the region poorly positioned to withstand the global forces which have since reshaped many regions and nations." Resting on its leadership as creator of partnerships and on the airport and associated infrastructure, a new emphasis was articulated. This edition's proposal sought support for eight projects: Warhol museum, Cultural District Phase 2, Convention Center expansion, Regional History Center, Downtown Library Center, Federal/North Redevelopment, Keystone Commons, and the City Center of Duquesne/McKeesport Industrial Center.

A "diversified funding strategy" was also proposed: statewide financing (recreation bond issue, statewide housing initiative); local financing initiatives; a regional recreation entity; hotel tax; and specific capital and general fund assistance. The specific projects were organized into categories of environment (natural and community resources), access (heliports, inter-modal transportation centers, roads and busways), jobs (job centers and global competition), and advanced technology (manufacturing assistance center, biomedical development, hazardous materials research, super computing, etc.). All of the projects were summarized in accord with the capital budget or general fund.

Resetting Strategies. During the 1989 primary election campaign for Mayor of Pittsburgh, a number of neighborhood meetings were convened by and attended by the Mayor and her department directors. Priorities for the 1990s: Final Report to the Mayor [Pittsburgh, City of, Advisory Committee to the Mayor 1990 (285)] was prepared as part of that process in consultation with neighborhood and civic leaders. The primary City initiatives that came forth in that process concerned racial integration, developing respectful approaches to accepting diversity, and treating public housing projects as neighborhoods.

The secondary initiatives also were "people-centered" and concerned the more traditional matters of physical development and governance. So, the real significance of the report was that it claimed that the city should be more involved in "social" issues and should, therefore, be working much more closely with the service providers in Allegheny County government, the Pittsburgh Board of Public Education and others.

As the City was focusing on its "internal" needs, others were considering this region's international setting. The Case for Internationalizing the Pittsburgh Region [Pittsburgh International Initiative of Western Pennsylvania 1991 (280)] asserted that Pittsburgh possessed strengths and weaknesses with regard to its "internationalization." These strengths could be accentuated by a concerted and collaborative effort of key leaders and organizations, most of whom were associated with specific recommendations in this report. Among the key initiatives would be: 1) increasing community awareness of the significance of the global economy on Pittsburgh; 2) enhancing commercial capabilities by promoting exports of locally produced goods and services and establishing a World Trade Center and increasing international air service;

3) developing international tourism and events for the region; 4) fostering international education at all levels; and 5) expanding cultural resources through international exposure and promotion.

The Allegheny County Commissioners initiated a planning process that was intended to inform them as well as other private and public organizations on core issues. The Allegheny County 2001 Plan [Allegheny County 1992 (53)] "represents a broad consensus among the people of this community about the steps we can take to enhance human development and strengthen economic security in Allegheny County. The plan is the result of a carefully designed process in which hundreds of people in Allegheny County worked to forge a strategy for making this community a better place to live and work."

This document called for bold actions, for organizations not to work in isolation of each other, and for leaders to confront practices that are outdated and ineffective. If there was a consensus among the participants in this process it was that fragmentation was a "villain" and that "better coordination" was needed. Using results from a major public opinion survey [DeAngelis 1992 (138)], select panels expressed their visions, the challenge, and required actions.

From this document and related reports, there was strong support for evaluating existing programs, thinking differently and jointly about the future, and recognizing that the electorate would support changes. Among the outcomes of this initiative were efforts by the ACCD and others to form the Allegheny Policy Council on Youth and Workforce Development, the RERI and the creation of a county-wide Department of Human Services. Efforts were also underway to explore ways and means of making local government reforms through agreements between the City of Pittsburgh and Allegheny County to consolidate certain types of services.

As a new mayor was elected, Pittsburgh moved forward. As part of its effort to rezone the city, a master development plan was prepared. The Comprehensive Plan: A Guide for Public Policy in Support for a Shared Vision of Pittsburgh [Pittsburgh, City of, Department of City Planning 1993 (292)] is the city's most recent effort to establish a comprehensive strategy. In a number of areas, both geographic and functional, the report sets a vision, strategy and work plan. The work plan reviews current programs and initiatives. For instance in economic development, the stated strategy was to retain key industries; increase and coordinate amenities for economic development; create opportunities for the poor, women and minorities; and stimulate growth in low- and moderate-income neighborhoods. Yet current capital improvement projects included Washington's Landing, Pittsburgh Technology Center and Three Rivers Stadium project. The capital improvements were consistent with the Strategy 21 projects, the Priorities for the Nineties recommendations (285), and the economic development strategy prepared by URA (304).

Toward a Shared Vision for Pittsburgh and Southwestern Pennsylvania [Florida and Gleeson 1993. (166)], conducted at Carnegie Mellon University was the precursor to

RERI. The report compares the Pittsburgh region to the 25 largest metropolitan regions on a number of indicators. Concluding that the region suffers from a proliferation of economic development-related agencies and little common ground, the report recommends the need for a "shared vision" among, at least, select groups and institutions to develop a "collective and coordinated" effort to restructure civic organizations.

Conclusions and Summing Up. Many of the strategic documents that have been presented by ACCD have supported actions that come from business-based strategies in which the role of government is primarily to facilitate private investment. Consequently, these strategic documents have narrower sets of recommendations than those produced in more public processes such as those sponsored by Allegheny County and the city of Pittsburgh.

More specifically, of the most important strategic documents, the recommendations that came from the first Chancellor's Conference (387), the Working Group on Community Development (401), Pittsburgh's Economic Development strategy (304), the "Remaking Cities" Conference (334, 129), the Priorities for the Nineties (285), and Allegheny 2001 (53) took more broadly-based and comprehensive approaches to economic development than either the capital programs⁷ or the international cities proposal (280) or the ACCD Strategy for Growth of 1984 and its current RERI.

In each of these latter cases the effort was, in spite of assertions to the contrary, programmatic initiatives that would hopefully yield discernible results quickly. They were not "quick fixes" but they did argue that money from the Commonwealth or the private sector would make significant differences in stimulating job development or matching newly trained people to jobs. In these pragmatic efforts there was considerably less emphasis given to other, equally significant matters such as local government reform, quality of life, and social equity.

Many pragmatic documents deny the need for planning through the assertions that economic planning is to be avoided. Yet, calls are made for "shared visions" that can only be established through participatory processes in which shared values are defined and plans are articulated as was done by Allegheny 2001, the Remaking Cities conference, the Working Group, the participants at the first Chancellor's Conference, and Pittsburgh's Priorities for the Nineties.

One may conclude that the status of initiatives on regional economic development in Southwestern Pennsylvania will continue to be stymied until public and private interests find more common grounds on which to establish reinforcing

⁷ See, for instance, Strategy 21 (286), SPRPC/DC infrastructure and development plans (361, 371), Allegheny County-sponsored reports on the Mon Valley (238) and the international airport (169).

strategies. We think this can happen through more open planning processes that stress mutual needs and participatory processes.

KEY AREAS OF INTEREST

The above section laid out the main strategic documents produced on economic development in the region over the past decade. From these, we drew out the key themes and areas of interest. In the next section, we pull these key themes out of those documents and examine them separately, along with other appropriate selections from our bibliography, to draw conclusions about the region's thinking in these key areas.

These themes represent goals, strategies and specific policies in economic development. We have attempted to supplement these from our own reading of the economic development literature. The field of economic development has changed, from "smokestack chasing" to sophisticated technology transfer, small business development, and network sharing programs and policies (and sometimes back to old-fashioned smoke-stack chasing as well). Likewise, the environment in which local and regional economic development operates has changed.⁸ States (and local governments) "took the lead," in the terminology of David Osborne, as many, especially in older industrialized regions, were strapped with the twin burdens of declining federal dollars for economic development and increased economic problems stemming from industrial restructuring and plant closings.

In our selection of key themes we attempted to include newer types of issues and strategies related to economic development to account for general changes over the past decade. We include the following key areas of focus here: leadership, government, business revitalization/vitalization, and human resources and the workforce. This list is by no means exhaustive nor mutually exclusive, but provides a base for analyzing the documents through a different lens.

Leadership

As indicated in our chronological review of the key strategic documents in the prior section, people who have been concerned about this region's economic revitalization "love agonizing about what they perceive to be a local leadership vacuum."⁹ Indeed, many studies have lamented the lack of "leadership" in regional economic development. The form that leadership should take or who should take that role or what the leadership might look like remain murky.

⁸ Federal funding for economic development declined dramatically over the 1980s, accounting for 49 percent of local economic development's revenue sources before 1984 and 25 percent thereafter (Clarke and Gaile 1992, 188).

⁹ John G. Craig, Jr. 1987, "The waxing and waning of the Allegheny Conference," Pittsburgh Post-Gazette, 5 September 1987.

Should this compulsion to seek leadership in Pittsburgh really be a surprise? As the historical analyses of the last decade by Jezierski (207), Lorant, Muller (242), Stewman and Tarr (373), Webber (395), and Lubove (forthcoming)¹⁰ suggest, Pittsburgh has until recently had a “boss.” Sometimes it was a politician; other times it was a corporate or union leader; sometimes more than one was leader. But there was always a locally-based, civic leader who was able to marshal the resources of the civic establishment when there was a task to be done. During the 1980s most analysts agreed -- that fact had changed.

In the following discussion of the materials we reviewed the focus is on leadership in locally-based economic development. But it quickly becomes clear that this is an ill-defined topic mainly because economic development is part of a much wider leadership situation; indeed, “civic” leadership includes economic development and the overarching quality of our community. Leadership, like economic development, is intertwined with the very fabric of our society and our ideology -- capitalism and democracy.

To have economic development successes the prevailing wisdom is that there must be leadership; but there must also be leadership in other areas. There must also be some consideration given to what is meant by leadership: Is it guidance or direction? Is it for mission setting or implementation activities? Is it unitary or shared? Does the traditional hierarchical, business and military, model apply to civic enterprises like economic development?

The bibliography includes over 50 citations that contain a significant reference to economic development leadership. These have been published at a nearly uniform rate during the decade. About a third of these are strategic documents and another fifth are analyses that address leadership. The rest are programmatic reports and most of these are “internally produced” descriptions of programs and their accomplishments.

Shared responsibility and accountability are the unifying themes of most of the documents that focus on leadership. There is a widely held belief that the leadership of the past will never be seen again; so, we need to begin thinking differently about the concept of regional leadership. This view was present in 1984 when “The Dream Merchants” [Kahn 1984 (208)], an important article that appeared about a month before the ACCD released its Strategy for Growth [28] report, made some very clear statements attributed to key people from the Mon Valley, the universities, and the corporations that economic development leadership did not exist. Most people could define the key organizations; they could not identify the person or institution who might be “capable of pulling (regional development) together.” While some advocated a planned, collaborate approach, most did not. It was also emphasized that Pittsburgh's

¹⁰ Roy Lubove, forthcoming. See also his Twentieth Century Pittsburgh; Government, Business and Environmental Change (New York: Wiley, 1969)

prominence as a leading corporate headquarters was overstated and declining and that expectations for high-tech job creation were too high.

During the intervening years a number of suggestions were set forth. They were not for unitary leadership or even a high level Mellon/Lawrence type partnership; they were for less precisely defined partnerships to accomplish specific tasks or address common missions. A brief review of some of the key documents might be useful.

Roger Ahlbrandt probably wrote more about this issue than anyone else during the 1980s. His first suggestion called for elected officials to take the initiative from the traditional corporate leadership structure. He also reminded people that the plan of the ACCD Economic Development Committee's was not a broad vision of the region's future [Ahlbrandt 1984a (84)].

In another paper [Ahlbrandt 1985 (3)], he discussed another limitation of the ACCD's plan: the absence of an institutional structure to act on the future's needs. Ahlbrandt defined an agenda for action. It included local government reform, county home rule, a regional economic development authority as suggested by Caliguiri, a regional infrastructure authority, a steel authority, and an emphasis on improved public education, particularly in the valley towns, and youth unemployment.

Later in the decade Ahlbrandt considered initiatives that took place during the mid-1980s in the region and in the mill towns [Ahlbrandt 1988a [10]; 1988c [12]; 1989b (15)]. Particularly interesting are his comments about corporate leadership and the ACCD. Based on some work in progress (Ahlbrandt and Coleman 1987 [25]; 1989 [26]), he asserted that Pittsburgh-based CEOs were striving to survive in a more competitive world market and had less time for Pittsburgh-based initiatives. His bottom line was that there was still no comprehensive regional strategy in the sense that one organization or a coalition was overseeing the formulation and implementation of such a strategy.

Yet, he claimed, there was a de-facto "shared vision" that the Valleys were worth saving and that economic development was a top priority. Perhaps his most important points are that the relatively fragmented organizational approach, which was a reality, might have been not only a good second-best effort but also might achieve better results than the more traditional top down, corporatist approach. He gave special attention to government and entrepreneurs, and said that major changes take time and that we need to have reasonable expectations and patience. His overall concept was to mesh market and non-market forces to lessen human consequences of these severe regional economic changes.

Pittsburgh already had a strong base on which to build these ideas. During the early 1970s the city of Pittsburgh began to emphasize empowering neighborhoods. The experiment became a model as many of the neighborhood organizations were transformed into community development corporations (Ahlbrandt 1986a, b, c [5, 6, 7]). It became a partnership model. There was an emphasis during the 1980s on making

"deals" in the public interest. Pittsburgh's comprehensive, flexible approach to partnerships, its emphasis on visible impacts, and its reliance on experienced leadership was described in an important article by the City's planning directors [Lurcott and Downing 1987 (224)], demonstrating how various partners find common grounds for actions.

Another article [Jezierski 1990 (207)] argues that even though neighborhood groups may be seen as necessary for legitimating other organizations' economic development plans, they are excluded from having any significant influence on the economic development agenda. Part of the author's basis for this is the Working Group on Community Development's statements (401) regarding the ACCD's Strategy for Growth.

Alberta Sbragia prepared an excellent review of the key locally based economic analyses that were done up to that time [Sbragia 1990 (341)]. She characterized the agendas of the region's leadership at key points during the post World War II era and gave special emphasis to the emerging importance of the nonprofit sector of the region's economy, particularly the universities and research hospitals, which she characterized as the region's new and emerging export industries.

This assertion is the basis for her organizational premise that the terms of a new kind of public-nonprofit partnership must be defined. She points out that local government's interests in these large institutions has often been adversarial (i.e., exacting fees in lieu of property taxes from tax exempt institutions and challenging some of these institution's tax exempt status). That would need to change. She also stresses the territorial ties that most of these institutions have to their region. But she also acknowledges that the non-profits need to do more to cooperate with each other in their mutual interests. This, she notes, was problematic, as symbolized by Pitt-CMU competitions. Of course, this assertion must be tempered by the institutions' increasing collaborations in many areas, including in economic development beginning in this review with Strategy 21.¹¹

About the same time Roger Ahlbrandt wrote an article that complemented Sbragia's by considering another set of non-profit organizations [Ahlbrandt 1990 (17)]. Using the Pittsburgh region's loss of its manufacturing base during the 1980s as the context, Ahlbrandt showed the key roles played by several nonprofit corporations. He particularly featured RIDC, SPEDD, PHTC, WPATC, Enterprise Corp., and several others. He emphasized that the leadership of these entities was tied to the corporate leadership through the ACCD and that high-level agreements between elected officials and corporate executives were instrumental in making these partnerships. He encouraged these sorts of partnerships and entrepreneurial initiatives.

¹¹ The University of Pittsburgh issued a report on its activities, Impact on the Community (1994 [392]).

In an article that analyzes the community and labor responses to plant closings in Sheffield, England, and Pittsburgh the authors [Beauregard et al 1992. (84)] find that in Pittsburgh the dominant strategy was largely corporatist in organization, with more peripheral involvement from labor and community-based groups, such as the Tri-State Conference on Steel, the Steel Valley Authority and Mon Valley Initiative.

In Mitchell-Weaver's review of the region's public-private partnerships (237) he finds a reduced role for traditional corporate leaders and an associated change in ACCD's role. He argues that the corporatist nature changes as local business leaders interests have changed and the dominant partnership has sidestepped the issue of massive deindustrialization and job loss by focusing on new sectors. The results, by looking at 1970 to 1990 changes, show that Pittsburgh has not generated much in the way of special growth or innovative networks of new producers which engenders future growth. The importance of this finding could be that Pittsburgh's business leadership is not up to the same standards as other regions'.

Frank Giarratani (1990 [174]) argues that the role of public private partnerships are "ill-suited to address problems of decline, per se." He finds that partnerships do not account for the opportunity costs associated with their particular program and that resources may be better used.

In contrast several articles published by the Pittsburgh High Technology Council [Glover 1993a (182)] traced the history of PHTC from some very informal meetings of the "smokestack chasers" in the early 1980s through the current industry-driven group. There was an important emphasis on key people who played instrumental roles during those times (Czeti 1993 [127]; Davidson 1993 [128]; Ranii 1993a [331]). Special emphasis was given to PHTC's founder and current chairman, Jim Colker [114, 115], and his early and consistent insistence on entrepreneurship and his expectations for the PHTC's future. The clear intention of these articles was to demonstrate that a new breed of civic minded, no-nonsense, risk-takers have created an innovative network of economic development organizations and made significant progress after being launched by corporate sponsorship under the auspices of the ACCD's Strategy for Growth.

The Greater Pittsburgh Revitalization Initiative Evaluation [Ricci et al. 1994. (337)] was prepared for the Pittsburgh Foundation, Howard Heinz Endowment, and Vira I. Heinz Endowment. As noted throughout this report, it is very important as an evaluation of the following specific programs: the Mon Valley Initiative (MVI), the Mon Valley Education Consortium (MVEC), the Aliquippa Alliance for Unity and Development, and the Southwestern Pennsylvania Industrial Resource Center (SPIRC). This represents one of the few systematic efforts at assessing outcomes of locally-based initiatives that were established during the early 1980s in the region's valleys.

There are some important findings and conclusions about each of the initiatives but there are also some very important findings about all of them that center on leadership. First, the authors' claim that the concept of community empowerment has begun to pay dividends and develop new leaders. But they stress the importance of

board and staff leadership. Second, foundation support has been and will continue to be important but, as each entity makes progress (and they have) towards independent funding, they will be stronger. Third, these organizations are models that can be adapted elsewhere; their values are not only to the region. These overall findings support the concept of locally-based organizations working with regionwide entities in relatively complex, less traditional organizational relationships.

Of course, the GPRI effort was focused on a distressed set of communities, not a more diverse set of communities like those found in southwestern Pennsylvania. Others have been examining ways and means of developing a shared vision for the region's revitalization and for rationalizing the organizational structure to make progress on this vision's implementation.

One group of researchers at the University of Pittsburgh [Bangs et al 1994 (68)] prepared a "Blueprint for a Regional Development Planning Organization." Their concept was based on a review of similar organizations elsewhere in the country (Gdovic 1993 [171]). Their notion is that economic development should improve citizens' lives by using a full array of local resources such as institutions, locality development, human resources, and various enterprises. Their "blue print" seems to be a regional planning organization that uses available regional economic analysis, prepares a strategic economic plan, builds consensus for it, and encourages its implementation but does not actively participate in implementing the plan.

The basis for applying this design in this region seems to be that the efforts of elected officials through SPRPC/DC and corporate leaders through ACCD/PEL are not up to the task when compared to other regions around the country. The authors describe these other organizations' objectives but they provide no evidence of their performance. The authors suggest that funding their proposed organization should be provided by grants and membership dues from local governments and businesses. The authors do not explicitly make provisions for their organization's public accountability.

Conclusions and Recommendations. The Regional Economic Revitalization Initiative, RERI as been released. We hope that the CMU report is reflective of some of the ideas presented and analyzed over the last decade and considers evaluations that have been done on localities' efforts to work in partnership with region-wide entities, as in some cases in the Mon Valley.

In addition, their proposals should reflect the new set of players, a group we might call the non-profits, led by people like Jim Colker. These organizations are taking on missions that only a few years ago might have been assumed to be those of local governments or their authorities. We would also hope that whatever leadership is proposed includes opportunities for those citizens of the community who are being left behind by the region's modest economic growth to be heard and actively involved. We would also hope that the CMU/ACCD vision for the region's revitalization is based on well defined and openly scrutinized insights in addition to the arguments of the most authoritative stakeholders. Finally, we would suggest that mechanisms be developed

to join the interests of elected officials, corporate leaders, and all others, as was suggested in the recommendations of both the Chancellor's Conference and A Strategy for Growth [28].

Towards this end we would recommend that a comprehensive inventory and analysis of all economic development organizations within the region be undertaken. As part of this analysis it would be important to learn how each organization was established, who governs it, what each organization has done, with whom it has collaborated, and from whom it receives financial support. Making the contacts, at the "grassroots," would also offer an opportunity to test the CMU/ACCD vision and implementation suggestions. These contacts would facilitate feedback from the most interested stakeholders. Examining each organization's view of these matters would also provide a useful opportunity to learn how each organization is staffed. Specifically, it would be useful to understand the mix of skills these organizations' staffs possess so that efforts to prepare people for careers in these sorts of organizations can be better focused.

Government

Certainly, locally elected officials have placed economic development high on their political agendas since the early 1980s. Regional alliances have been formed by these officials to stimulate growth and to attract infrastructure investments. Some of this is done through Strategy 21 [286], some is done through SPRPC/DC, some is done through other programs or authorities. There is no better example of local governments' concerns about economic development than the work done, and reviewed elsewhere in this report, by Allegheny County and the city of Pittsburgh. In both cases these operating units of government have engaged large groups of people in mission setting exercises and have monitored outcomes of those exercises' recommendations. Their efforts demonstrate that for economic development to succeed there must be many other actions taken than stimulating business retention, expansion, or attraction.

The roles for government in economic development, as indicated by the documents that we have reviewed, generally fall into three categories: analysis, investment, and reform.

Government Analysis. The analytic work of local government has been to monitor and, sometimes, to forecast economic activities; to study particular industries; and to consider the potential need to become directly involved in business development, business-oriented service delivery, or real estate development. These and other roles are discussed later in this report, in the labor market and employment section.

Government Capital Investment. One of the most important reasons for local governments to do these sorts of analyses is to make wiser investments. For those projects or programs that businesses are accustomed to governments' providing,

government is viewed as a resource to be persuaded. Transportation facilities such as roads, locks, and dams are among the most frequently sought public infrastructure improvements.

The business community through various statements, particularly in the ACCD's Strategy for Growth [28] espouses this point of view and calls on its leadership to join local government officials in persuading Commonwealth and national governments to transfer investment funds for the good of the region. Among the bases for this approach is that by making these government investments, businesses will be more profitable and governments will recover their investments indirectly through property and income taxes on businesses and workers. There is, however, some recent research that challenges the degree to which this logic might apply in all cases.

About two dozen of the bibliography's documents deal at least in part with government investment as a basis for some aspect of economic development. But the most significant document may be the recently completed report for SPRPC/DC, Regional Economic Impacts of Transportation Investments Study [CONSAD. 1994. (1160)]. This literature review was intended to assist SPRPC/DC in better understanding the regional economic impacts that result from transportation investments and to make recommendations to them about how they might better assess the impacts of proposed transportation investments. Although there are few uncontested, definitive findings among researchers, CONSAD's conclusions are significant:

- Public infrastructure investment has no greater net effect on the economy than does private investment;
- As in the private sector, public investments may be good or bad, valuable or less-so;
- Government helps businesses increase their competitive advantage (and profits) when transportation improvements reduce business costs;
- A public investment may not lead to the anticipated benefits, if no private sector action follows;
- Transportation access is at a minimum a necessary, but rarely a sufficient condition on which to base location decisions.

The conclusions of this study, while carefully articulated, do not strongly support the basic concept of public investments in infrastructure, in and of themselves, as stimuli for economic development. Yet, almost half of the government investment documents in the bibliography relate to transportation systems (378, 383), the international airport (101, 102, 169, 378), aviation (364), freight movement (217), or MagLev (225, 233).

The international airport is not the only specific location on which these documents focus. The Mon Valley development strategy (238), recommendations about downtown Pittsburgh improvements to encourage shopping (136, 140), the Spine Line

[47, 51, 245] and capital improvements programs in Strategy 21 (286) clearly argue for funds from the Commonwealth and elsewhere as investments in congested or distressed places.

In this same spirit, efforts by the city of Pittsburgh and Allegheny County to qualify as an empowerment zone (293) or by SPRDC to meet Economic Development Administration requirements by completing an Overall Development Program (361) certainly exemplify the pursuit of federal funds for local development programs. These efforts are to get the region's share of Commonwealth and national government funds. The hope is to use transfer funds to undertake local initiatives and to leverage these with local investments.

Certainly, there are specific instances in which government investments in infrastructure will have positive impacts on the regional economy but each situation should be closely scrutinized as one should with any speculative investment.¹² CONSAD did not address the differences in transportation needs between different types of businesses, but a PennDOT study [DeAngelis, Hummon, Bullen, and Manners. 1986.(150)] did. Based on the in-depth responses of carefully matched Advanced Technology (AT) and non-Advanced Technology (non-AT) businesses in five Pennsylvania areas, AT firms considered transportation important to their operations for a wider variety of reasons than comparable non-AT firms, who rated transportation's importance narrowly as transporting their product or service to market. AT firms also claimed their choices of location were based on a wider variety of transportation considerations than non-AT firms. Air transportation was more frequently used by AT than by non-AT firms in both the shipment of products and services and in business travel. This study's key recommendation was that AT firms warranted special PennDot and Commonwealth attention because AT and non-AT firms have significantly different needs. Special emphasis was given to the importance of airport and highway investments.

Because of the CONSAD findings and the recent difficulties that SPRPC/DC encountered with the adoption of its Long Range Transportation Plan, it seems wise for all major capital improvement programs that use tax payers' money to be much more openly and carefully scrutinized according to generally accepted criteria. Having said this, it must be added that no analysis process will ever be perfect; there is uncertainty about the future. And it should also be noted that CONSAD has certified that SPRPC evaluation procedures are "state of the art." Nonetheless, more discussion and openness will yield more widely supported government investments and may increase the likelihood of attracting complementary private investments. At this time it is most realistic to expect these activities to happen on a project by project basis.

¹² One example may be reflected in [149] and [150]. According to ISTE, this close scrutiny is suppose to happen and SPRPC/DC is suppose to be taking the lead in the effort. At this time it too early to tell what level of scrutiny will be applied.

Government Reform. Government reform is related to this same logic as government investment, at least from the perspectives of those who are attempting to stimulate business development and job creation. Here the notion is simply that local government can be an impediment to economic development if it is not delivering needed services in the most cost effective ways. Local tax reform could be a partial answer but some business interests have expressed concerns about putting local governments on stronger fiscal foundations that would prolong the existence of a fragmented and faulty system of local governments. If local government is inefficient, businesses like residents will be paying more for services than they should be. This makes businesses less profitable and these places less desirable as business locations. Of course, it also follows that efficiently delivered and fairly priced services are an attraction to potential business but, as CONSAD noted about infrastructure investment's impact on development, "good" government may be a necessary but not sufficient condition for attracting new development.

Furthermore, it has been argued that certain regulatory controls, especially development ordinances, when defined and administered differently in nearby municipalities can have detrimental effects on real estate development. There are a number of anecdotes to support this; many were shared during the Allegheny County 2001 process. But no systematic analysis of these sorts of problems has been discovered in our literature search.

Making local government more efficient and effective is a key element of the corporate based economic development strategy for this region (ACCD). The more broadly based strategic reports see local governments as potential mechanisms for reaching people and expressing those people's views on critical development issues. The view is that, if this happened, the chances of increasing the quality of life while maintaining a modest pricing structure through local taxation would be greater.

We have not attempted to assemble materials that have been produced about municipal and county government reform in this region during the last decade. That effort would take us beyond this project's resources. But we know that significant efforts have been underway to restructure local government [3, 55, 56, 95, 131, 210, 222] and to improve municipal management and municipal financial well-being (387, 388) and there have been a number of analyses done to bolster this effort (3, 56, 95, 131, 210, 222). Most of the analyses have addressed municipal financial distress. For example, Wells and Swanson [1984 (397)] described the history of municipal bankruptcy in Pennsylvania and concluded that, while bankruptcies may now be rare, the Commonwealth and municipalities are ill-equipped to deal with them. Six specific recommendations to deal with this situation are made. In "Municipal Fiscal Indicators" [James and Kearns 1984 (206)], the authors reviewed the historical development of municipal financial indicators, examined the needs of users, and identified problems in their design and application. The policy-relevant issues concerned defining a "financial emergency" and "the appropriate role of the state" when one is detected. Finally, a

report suggested legislative actions to deal with municipal fiscal distress [University of Pittsburgh 1985 (390)]. It included analyses of the legal environment and examined several strategies to ameliorate fiscal distress.

In addition the city of Pittsburgh has analyzed property tax abatement [1986 (287)], the impact on residential location of earned income taxes [1987 (289)], and the differentiated land and building property tax [1992 (294)]. There has also been an analysis of comparative tax burdens [Luce 1990. (223)] in which the author compares services and taxes in the city of Pittsburgh with those of Allegheny County suburbs and selected other cities. He found these expenditure and service levels to be typical. He determined that Pittsburgh and other Pennsylvania cities receive less aid from non-residents than cities in other states. He also reports that Pittsburgh has a relatively high income tax burden due to the relatively slow economic recovery, low state financial aid, and an inability to tax nonresidents. He concludes by examining the merits of commuter vs. sales taxes in Pennsylvania and calls for a less antagonistic relationship between political leaders in Pittsburgh and Philadelphia on the establishment of a regional sales tax.

Finally, the fiscal organization of Allegheny County municipalities is examined [Miller et al 1994 (234)]. The authors examined the contention of public choice theorists that fragmented metropolitan governmental structures provide greater benefits over costs for private citizens and that jurisdictions, organized over spatial boundaries, spur "competition" in local service provision.

Against this background the authors analyze data for Allegheny County, which the Advisory Commission on Intergovernmental Relations held up as a successful governmental system (1993). These authors find, however, that more County municipalities were fiscally distressed in 1991 compared to 1981, and the differences between wealthy and distressed municipalities increased over the decade. The authors reject both reformist and revisionist perspectives of municipal governments, and support notions of greater County support for municipal service provision, either directly or through home rule status; city of Pittsburgh merger with surrounding communities and regional tax sharing system.

Conclusions and Recommendations. Rather than presenting the complex cases for and against local government reforms, we are making a few general points about these reform efforts' potential implications for economic development in this region. We know through survey research that public sentiment does exist to support local government reforms that maintain levels of service without increasing municipal tax rates (138).

As mentioned in our section on leadership, as the regional focus of corporate executives wanes, one hope has been that local government would become more conspicuous in the field of economic development. But it is also recognized that, just as the need for an efficient municipal government has arrived, the status of municipal and

county government is viewed negatively; the view is that it must be restructured (Ahlbrandt and DeAngelis 1987 [21]; Miller et al 1994 [234]).

One view of local and county government reform is that reform is a means of displacing the current political leadership and replacing it with a new set of leaders who would support more responsive governance and more open discussions of investment priorities. Another view is that the structure is not the problem--the elected officials are the problem. Regardless of ones own views on who is at fault (the system or the politicians) there is wide agreement that the effect is not in the best interests of the urban area (138).

One promising initiative that is currently being undertaken by the city of Pittsburgh and Allegheny County focuses on defining and implementing joint service programs in which both governments benefit. While this initiative is in its early stages, there are some promising early outcomes that might set the stage for more ambitious actions in the future. Among those that might be important for economic development would be:

- More collaboratively prepared government investment programs (i.e., moving beyond Strategy 21 to include some local capital programming);
- More unified procedures for providing locally-provided services to businesses;
- More consistent efforts at reviewing real estate development projects in conjunction with key municipalities;
- More systematic and open analysis of significant infrastructure investments' impacts on economic development;
- More uniformity in municipal zoning and subdivision ordinances and procedures;
- Closer relationships with non-profit economic development organizations, public and private schools, and social service agencies;
- A stronger role for county government in supporting municipal planning and management; and
- Some mechanism for tax-based sharing that might build on Allegheny County's Regional Asset District.

Before these sorts of proposals can be made, it is necessary to assess the needs and potentials for these sorts of initiatives. At this time we have not found a systematic analysis of whether making these sorts of reforms would make a significant positive difference to economic development. We would support such an investigation; but feel it would have to be done for all Allegheny County (and maybe adjacent counties') municipalities as well as the county government itself. Such an investigation would have to be done as part of an overall assessment of the state of local government in this region; it could not be done only with an emphasis on economic development. Service delivery and citizen satisfaction assessments would be essential.

Business Revitalization/Vitalization Strategies

Below we review a number of business revitalization strategies. Many of these documents cover a range of business assistance-type programs and funding. We focus, however, on the key areas that each of these documents addresses: retention, attraction and marketing, targeting, business assistance, and business climate.

Retention. Retaining existing businesses is an important component of an overall economic development strategy. Several agencies in the region are actively engaged in retention activities, including the Southwestern Pennsylvania Industrial Resource Center (SPIRC), the Steel Valley Authority (SVA), and the Governor's Response Team; they work mainly with manufacturing enterprises. Consequently, most of the documents that we analyzed that dealt with retention focused on manufacturing.

We found a distinctive change in the types of documents covering retention in the years that we studied. In the mid 1980s period, most of the documents specifically centering on retention were program proposals, some representing the source of the above agencies' inception. Later in the 1980s and in the 1990s, the focus of the work on retention broadened to include program evaluations, analytic documents, and strategic documents. Furthermore, we found more retention studies during this later period than during the earlier years, suggesting that more organizations and analysts recognized the importance of incorporating retention as a focus of economic development as the 1980s progressed.

Most of the key documents identified above discussed or considered retaining existing businesses as a part of economic development in some way, though actual programmatic implementation was lacking. Retention was more broadly defined than the activities of the above organizations and was to be achieved mainly through supply-side policies upgrading regional infrastructure and improving education and training. Both the ACCD's A Strategy for Growth (1994 [28]) and Strategy 21 largely took this tack, with its primary focus on physical renewal projects, remaining "silent on the subject of renovating the region's secondary industrial sector along modern lines" (Mitchell-Weaver 1992 [237]).

The studies that focused directly on retention are concentrated in two groups: program proposals and analytic documents on retaining specific facilities, such as the East Liberty Nabisco plant (Jeziarski 1990 [207]) and steel mills and manufacturing in the Mon Valley (Bauman et al 1984 [81]; Beauregard et al 1992 [84]; Erickson 1984 [162]; Erickson and Supansic 1987 [161]; Hatch Associates 1988 [195]; Locker/Albrecht 1985 [221]; Markusen 1988 [229]; Pace n.d. [246]; Tumazos 1985 [385]; USS 1985 [386]) and program proposals and program descriptions of more general industry strategies, such as the printing industry (Shorebank 1988 [347]) and smaller manufacturers (Ahlbrandt 1987a [8]; Carnegie Mellon 1984 [96], 1994 [106]; SPIRC 1993 [359]). In the former category, the analytic documents assess the results of the strategies, successful or

unsuccessful, and the organizational components of the efforts. Many of these were community- and labor-led initiatives to save major employers in a specific locale. Though largely unsuccessful, the organizations themselves evolved into more developed organizations that broadened their retention focus and became active partners in newer strategies that developed in the.

Since retention efforts are relatively new, few evaluations have been conducted, either on specific programs or general strategies. Two important evaluations reviewed SPIRC activities (Ahlbrandt 1989a [14] and Ricci et al 1994 [337]). Of these, GPRI is the most recent and reflects back on SPIRC operations over its five year history by focusing on achievements within the program's stated goals and objectives. The report concludes favorably about SPIRC's efforts in working towards and achieving its stated goals and, though it has only worked with a fraction of its targeted population of firms, it has extended its one-on-one business assistance program by establishing local consortia and networks of related firms working with one another. Of additional note here is a forthcoming (Carnegie Mellon University 1994 [107]) study of twenty regional manufacturing firms. Though results were not available at the time of this report, it should be seen as another contribution to the increasing focus on retention by area analysts.

A relatively new focus within retention-based strategies concerns early warning of firms with problems. The Southwest Early Warning Network (SEWN) is run by the Steel Valley Authority and funded by the state's Departments of Commerce and Labor and Industry and overseen by the Governor's Response Team (Steel Valley Authority n.d.[3720]). SEWN performs case-by-case evaluations of small and medium sized firms with specific economic, financial or management problems. The Steel Valley Authority (1994a [3721]; 1994b [3722]) also focuses on the area of succession of firms' owners. SVA conducted a survey of Pittsburgh and Mon Valley manufacturing firms to determine how many had made plans for succession. SVA estimated that over one third of all closely held manufacturing firms in the region have owners over the age of 55. The report concludes that succession represents a growing problem for the region's manufacturers since "aging owners with no logical heirs or exit strategy tend to become inattentive ... (c)ompanies without a successor will drift, lose profitability and eventually be resold for a fraction of their value."

Conclusions and Recommendations. Interestingly, some gaps emerge from the literature. Few analyses of retention have focused on non-manufacturing areas, such as corporate headquarters, universities, the health sector, advanced technology, and air services, for instance. For the few that do exist, we may view them in relation to other key factors taken here, including small business assistance and even entrepreneurship. For instance, the Pittsburgh High Technology Council has established round tables and networking operations for other types of businesses, such as environmental technicians and software firms. The Technology Development and Education Corporation's work with the biomedical industry likewise can be viewed in this light. Nurturing new

businesses and encouraging small firms to remain in the region through business assistance programs and networking with more established firms represent important sources of retention activities. As with the manufacturing retention programs, these have evolved into a stronger presence in the 1990s than in the 1980s and subsequently, fewer analytic and evaluative efforts have been conducted.

Clearly, given the importance of other types of sectors to the regional economy, some focus should be given to them. For instance, while many studies are being produced on the restructuring of the health care system, we did not find any that estimated or evaluated the impacts of that restructuring of health and hospitals on the region's economic development. This is particularly important for the city of Pittsburgh, which has a large agglomeration of health and hospital-related services.

In general, then, documents concerning retention became more numerous over the decade and the scope of the documents broadened from program proposals to actual operations, general strategies, and evaluations and outcomes. Most of these concerned manufacturing, but more recently these have also expanded to incorporate other types of economic activities. Both manufacturing and non-manufacturing retention efforts, at the program level, have increasingly concentrated on business assistance and on the formation of networks and information sharing. State government and nonprofit organizations have primarily led retention efforts in the region.

Attraction and Marketing. Most of the documents contained in our study viewed attraction and marketing from the supply side, that is, promoting the region as a location to outside investors. A few viewed marketing from the demand side by helping firms expand their markets or in market planning. Most of the documents we examined focused on promoting the region through program descriptions by marketing agents, mainly by Penn's Southwest (249-260, 297). These reports summarize each year's efforts of the region's largest marketing arm, relating information on numbers of new companies attracted to the region and information for prospective firms on locational factors. In general we found only a few outside studies that conducted comparative analyses that could be used for marketing and little done in the way of evaluation of the region's marketing effort.¹³

Few analytic documents studied and evaluated the region from a marketing standpoint or attempted to understand the firm relocation process as it affects business decisions regarding the Pittsburgh region. One study helps to close this gap through a recent assessment of business location factors in Pittsburgh and six other comparable regions [Conference on Real Estate of Southwestern Pennsylvania 1993 (116)]. While the target audience for this study was primarily the real estate development community, it contains much information for local and regional economic development.

¹³ We limited the scope of what could be considered marketing efforts here by not including all program descriptions, though they certainly are used by their respective agencies as a marketing tool.

It concluded that Pittsburgh ranked third among the regions studied, but suffered in comparison regarding "consistency of government" and "unity of purpose" among the economic development community. This general conclusion largely echoes the conclusion of Florida and Gleeson's [1993 (166)] comparative economic analysis of the region. While the region had many positives according to the authors' assessment criteria, it suffered predominately from a low ranking in business climate. This study underscores many other analyses that point to a similar conclusion, particularly regarding the state's relatively high corporate income tax rate.

Interestingly, few evaluations, outside the CRE study, have been conducted on the region's marketing strategies nor did any of the reports we listed spend time with any of the national relocation consultant firms to understand why the region, along with other parts of the industrial midwest, is not often considered for firm relocation. One article, (Wolverton 1994 [400]), did described the comments of a PHH Fantus executive who related that his company had not relocated one firm to Pittsburgh since 1988. Reasons for exclusion ranged from "high development costs to image to politics (p. 62)."

A set of KPMG Peat Marwick studies (1990 [212]; Wicker 1991 (399)] examined some of these issues for foreign-based firms in the Pittsburgh region. Of the forty participating foreign-based companies that located in Pittsburgh in the five years to 1990, key industry and market suppliers and transportation access were the most important location factors. Compared to other states, however, Pennsylvania did not fare well for foreign-based firms selecting U.S. locations. The state did not rank well even among potential locations firms considered but ultimately did not select. Furthermore, for foreign-based firms who did locate in Western Pennsylvania, 31 percent reported that they did not receive any location assistance, the second highest ranking in states included in the analysis.

Another report (Carnegie Mellon University 1989 [101]) found that in the late 1980s the region's external marketing efforts were hampered by a lack of experience. It cited that the region did not capitalize on its Rand McNally Most Livable City rating nor on the Allegheny County Port of Pittsburgh Campaign. Furthermore, it is not clear whether marketing efforts have successfully used the airport as a vehicle for attraction.

Another area for marketing and promotion concerns tourism and entertainment.¹⁴ Though studies have been conducted, we had difficulty in obtaining key documents on evaluation of existing programs [Pittsburgh Cultural Trust 1990b (275)].¹⁵ Most of the ones we obtained were very project specific and often program proposals or projections of potential impacts, whether focused on the Cultural District [Entertainment Centers 1993 (160); Pennsylvania Economy League 1990c (268);

¹⁴ At the time of this project, we did not find reports estimating the impact of riverboat gambling on the regional economy. Many of these are currently being prepared.

¹⁵ We did not receive any material of significance from the Pittsburgh Office of Promotion.

Pittsburgh Cultural Trust 1990a (274)], the Convention Center [Hammer, Siler 1991 (188)], a greyhound dog race track [Harrison Price 1988 (192)], and the arts and museums [Pennsylvania Economy League 1989a (264), 1990a (266), 1991 (269)].

One study focused on an existing arts business -- the local film industry -- and recommended the continuance of the local film office and more networking activities of the production professionals [Streiner 1991 (376)]. This study is now three years old and the growth and importance of the film industry warrants a serious investigation of its impacts on jobs and income generation.

Other documents represent an important source of marketing material though they are not strictly marketing studies. Many of these have been conducted by analysts at local universities. The Economic Benchmarks series published by the University of Pittsburgh's University Center for Social and Urban Research (Bangs 1993, [66] and Bangs and Hong [1994]) include not only useful information on economic development, but a wide range of information that can be incorporated in a marketing strategy. Penn's Southwest's publication for prospective businesses also serves this function [1994b (259)]. Likewise, the Carnegie Mellon's Heinz School of Public Policy and Management publishes annual reports derived from student projects that contain a wealth of information that could be used to enhance a marketing strategy.

Conclusions and Recommendations. Within marketing and attraction, we found few evaluations of the region's marketing efforts have been conducted, nor has the region capitalized on the changes that have occurred here. While the Penn's Southwest annual reports often described case studies of firms who have relocated to the region, more needs to be done to understand the determining factors of new firms who have moved to the region and the reasons for those who expressed an interest but did not choose this region.

We find a number of areas that remained understudied in terms of their importance to regional economic development. This includes the broad area of tourism, culture and entertainment. While public investments have supported the creation of the Cultural District, it would be important to document its ongoing and probable growing importance in the regional economy. Likewise, tourism would be another area likely to generate export dollars, and its impact, particularly in light about current considerations about riverboat gaming, should also be studied.

Targeting. Targeting represents a much touted, but little understood, tool for local and regional economic development policy. Most often it is interpreted as sectoral or industrial targeting, what the national debate on industrial policy reduced to "picking winners and losers." The policies targeting select sectors for public assistance stem from the rich regional science and economic geography literature of the past four decades that examined industrial complexes and sectoral clusters.¹⁶ Generally, targeting policies

¹⁶ The literature here is extensive and the debates hinge on a number of factors: the role of external economies and other advantages of agglomeration such as skilled pools of labor, interpersonal relations

focus on strengthening the economic base of a region by promoting or assisting firms in those activities which have a record or potential of generating evolving and embedded linkages in the regional economy. Gordon Clark has advocated a strategy for Pittsburgh, by promoting activities which create spatial external linkages to new global firms and their networks to connect regions and districts to the international economy.¹⁷

The targeting studies we examined can be divided in several ways. The first division is between program descriptions by agencies involved in activities to target specific sectors and other types of documents -- analytic documents and program evaluations -- that attempt to identify, in some way, key sectors for policy makers to develop targeting approaches. In the former category are reports on activities by agencies such as the Southwestern Pennsylvania Industrial Resource Center, Ben Franklin Partnership, Pittsburgh High Technology Council and Steel Valley Authority. The second set of reports includes the work of Bangs and Haulk (1994 (70)) that drew on the Phil Hammer input-output model. Program evaluations of agencies engaged in targeting were conducted by Haulk and Bangs (1994) and Ahlbrandt (1990c (18)). Ahlbrandt et al (1984 (23)) studied the region's high growth manufacturing firms to recommend a public policy direction to target high growth firms for assistance.

The second division of reports runs chronologically. During the early and mid 1980s, groups such as the Tri-State Conference on Steel organized to fight steel mill closings and propose alternatives to plant shutdowns. The targeting here was very focused, not just in terms of sector or industry -- steel -- but down to the plant level (Erickson 1984 [1162] and Fitzgerald 1991 [164]). At that time few other economic development efforts focused on the declining steel industry. Indeed, for the economic development leadership, "manufacturing did not matter" as the focus turned to services and advanced technology.

Early in our period of analysis, Ahlbrandt et al (1984 [23]) recommended that "(g)iven that resources are scarce, targeting is the most cost-effective strategy for achieving a positive long-term result when a neighborhood or a municipality is declining." Their work examined the performances of key industry groups in the region compared to the nation [Ahlbrandt et al 1983 (22)]. Based on this analysis a simple framework for classifying industry groups was developed, similar to methods used in strategic corporate planning. Using these classifications industry groups could be "targeted" for regional economic development attention [DeAngelis 1984a (130), Carlson 1985 (94)]. Industry groups were labeled as stars, cash cows, dogs, or investment opportunities based on being oriented to local or non-local markets and their comparative growth rates. Once industry groups were identified, the report

and informal and formal networks, institutional forces, and the role of flexible accumulation, for example. We do not attempt here to delve into this work in any detail, but to note that policies on targeting must be founded on a rich and open conception of strategic sectors, rather than relying on simpler purchase and sales relationships identified in input-output analysis.

¹⁷ Cited in Bennett Harrison, *Lean and Mean* (New York: Basic Books, 1994), p. 33.

recommended identifying and contacting specific businesses in those industries, from which business assistance programs would be designed [DeAngelis 1986 (132)]. These concepts were widely shared and some firm-based surveys were conducted; most of the emphasis was on manufacturing firms in industries performing weakly or advanced technology firms that were new.

By the mid and late 1980s, however, more documents were analyzing specific sectors of the economy for targeting, especially advanced technology [DeAngelis 1986 (132), 1989b (134), 1989c (135)]. Likewise, the state created programs to assist smaller and medium sized businesses, both in advanced technology sectors (BFP) and in traditional manufacturing strengths (SPIRC). We see by the beginning of the 1990s an increased emphasis on targeting through the activities and publications of these agencies and others such as the High Technology Council and Technology Development and Education Corporation (85, 86, 276, 277, 278, 359, 381).

More traditional types of targeting exercises are contained in the input-output analyses of the Pittsburgh region (70). Economic sectors are examined through the lens of projected national growth in employment and output to determine which projected growth sectors best fit the region's locational characteristics and can contribute the most to the regional economy in terms of increased employment and income growth.

The contrasts in the types of studies conducted on targeting can be examined by looking at the current debates on the determination of industry targets and the usefulness of targeting by public policy intervention. Critics of input-output targeting studies suggest that using aggregate industry data, even at the three sector level, reduces all inter-firm relations to a set of direct purchase and sales relationships, ignoring the complexities of inter-firm contracting, deal-making, relations with other institutions, such as, research universities, and a skilled labor force. The authors of the more formal regional industrial targeting study (70) suggest that economic development targeting in the region is not "founded on analysis. Too much of the targeting is derived from ad hoc impressions of opportunities" and that "targeting is not focused, such as declaring all manufacturing as a target." Nonetheless, many of the agencies who are actively supporting targeted industries, through seed money, business round tables, or direct operations evaluations and support, do have specific targeted sectors, whether in manufacturing or service activities.

A recent report issued by the Pittsburgh High Technology Council and the Southwestern Pennsylvania Industrial Resource Center (277) examines the relations between key industrial activities in the region and their existing and potential linkages to both upstream and downstream producers. Based on their analysis, they identified five industrial clusters that should form the base for a targeted economic development strategy: metalworking, chemicals and plastics, biomedical technologies, information and communication products and services, and environmental products and services. These core activities were found to have important linkages to other manufacturers,

services and university research in the region, and, in turn, constitute an important part of the region's export base.

Conclusions and Summing Up. From our reading of the documents, no clear regional targeting strategy has been developed, nor has a clear headed exposition of why the region should pursue targeting strategy been laid out. Likewise what constitutes targeting often seems confusing. Though individual agency directives are most often clear, what constitutes targeting is not always clear for all. A survey of 39 economic development agencies found that all respondents claimed to engage in targeting (Haulk and Bangs 1994 [196]). For many of these, it seems, targeting constituted better marketing efforts.

Several of these themes were echoed in our interviews with key informants. One person pointed out that though changes in our regional economy have been well-documented since World War II, many corporate leaders are still surprised to learn about our economy's current composition in terms of employment by sector (e.g., fastest growing sectors in terms of numbers of jobs and relative change). We need an understanding of "sub-industries" -- that is firms -- to understand the process of new job creation in the region. Relying on aggregate data organized by Standard Industrial Classification, for instance, tends to understate the importance of key sectors, including manufacturing generally and sub-areas such as robotics and biomedical or service activities such as software.

From this type of critique might stem an examination of interrelationships among key sectors in the regional economy. One analyst commented that "in many regions, the most interesting sectors may not be well-established ones, but rather clusters of firms whose incipient and emerging interrelationships can be strengthened through policy."¹⁸ We would recommend more firm-based industry studies to understand better these interrelationships and the appropriate targeting policies that might be applied. The RERI work of PHTC and SPIRC (277) represents an important contribution to analyzing potential economic development efforts focused on industrial targeting.

Business Assistance. We also categorized documents by those concerning business assistance. Here again, we attempted to limit our literature to those documents that viewed business assistance as an economic development strategy. Hence, we do not include a wide range of potentially pertinent materials put out by programs operated by banks and the Small Business Administration, for instance.

Business assistance program usually work directly with individual firms to enhance their competitiveness in some way. They might operate by establishing

¹⁸ Ernest Sternberg, "The Sectoral Cluster in Economic Development Policy," Economic Development Quarterly 5, no. 4 (November 1991): 353.

manufacturing extension programs or by providing seed money or other funding, technical assistance, marketing and operations advice or export promotion, for example.

Business assistance is also closely linked to, or overlaps with, other key areas we have investigated here, such as targeting. In this section, though, we examine those documents on their own merit. Taken together, business assistance policies represent efforts to affect directly a firm's or group of firms' competitiveness -- regionally, nationally and internationally. Business assistance policies can attempt to affect both the demand side -- policies promoting exports, supplier-buyer relations, and technology transfer assistance -- or the supply side -- improving technical capabilities, providing loans and venture capital funds, and establishing incubators and firm networks. Critics point out that states and local governments implemented many business assistance programs during the 1980s without a basis in theory.¹⁹ Others though find that many of these programs are devised with a "basic understanding about technology's role in the economy as a basis for action."²⁰ Today, these types of policies are well-entrenched in economic development though serious evaluations are often lacking.

Most of the documents on business assistance pertain to program descriptions. The second most numerous category of documents here are contained under external program evaluations, with the rest representing internal program evaluations, analytic documents and program proposals. A majority of these, particularly over the 1980s, are program descriptions and evaluations of Urban Redevelopment Authority and Allegheny Conference materials. Many of these focus on the overall economy, though in the later years of the period under consideration business assistance programs targeting manufacturers become more important; these are represented by programs run by SPIRC, Ben Franklin and Steel Valley Authority, among others.

Business assistance represented an important focus of the Conference's 1984 Strategy document (1984b [28]). Contained in the report were a number of recommendations for providing business assistance, many of which came to fruition during the 1980s. Many of these focused on advanced technology sector, including establishing a regional seed capital fund, developing a corporate technical support program, creating a supplier match-up program, and strengthening the Western Pennsylvania Advanced Technology Center (the Ben Franklin Technology Center).

In the manufacturing area, the report's recommendations included establishing a manufacturing retention and expansion program within local government, establishing a financing assistance clearinghouse through an existing organization such as SPEDD or RIDC, creating supplier match-up programs, setting up small business research and

¹⁹ Peter Eisinger, The Rise of the Entrepreneurial State (Madison, Wisc.: University of Wisconsin Press, 1988).

²⁰ Julia Melkers, Daniel Bugler and Barry Bozeman, "Technology Transfer and Economic Development," in R. Bingham and R. Mier (eds.) Theories of Local Economic Development (Newbury Park, CA: Sage, 1993): 241.

development programs at area universities, building a network of business consulting assistance services for existing companies, developing a regional inventory of available manufacturing sites and revitalizing the Pittsburgh Labor-Management Council (now the Three Rivers Labor-Management Council). Other business assistance programs envisioned by the Conference's Strategy focused on export promotion through initiating a Pittsburgh program for export trade development.

The Urban Redevelopment Authority (Pittsburgh, URA 1985a - 1994 [298 - 328, more or less inclusive] produced many reports and descriptions of its business assistance projects. These ranged over the decade from tax increment financing assistance to business assistance to direct loans to funding other nonprofits engaged in business assistance programs. Oftentimes the focus of the URA's work is area or neighborhood specific (c.f. 1993b [322]; 1993c [323], and annual reports) or it might center on a particular industry (c.f. 1993f [326]). Usually, though, publications report on the range of business assistance programs in which the URA is engaged.

While many of the Allegheny Conference's recommendations became part of programs over the decade, the emphasis on business assistance in the region concerned small and medium-sized firms, whether manufacturers [Ahlbrandt 1991b (20); Ahlbrandt and DeAngelis 1987 (21)], advanced technology [ACCD 1988 (34)], or biomedical, for instance. In their targeting study, Ahlbrandt et al (1984 [23]) recommended that, because the City of Pittsburgh may have more difficulty in retaining its existing firms than other parts of Allegheny County, the City needed to develop outreach efforts to work with existing companies and help to resolve their problems. This recommendation led to the URA's work with existing companies.

In the late 1980s, more nonprofit organizations emerged as leaders in business assistance, often in conjunction with other public programs. Program reports and evaluations of activities at SPIRC (SPIRC 1993 [359]; Ricci et al. 1994 [347]), Ben Franklin Technology Center of Western Pennsylvania (1993a [85]; 1993b [86]) and Steel Valley Authority (n.d.; 1994a; 1994b) represent most of the documents published during the 1990s. Prominent here are reports concerning export promotion and program evaluations (Burns 1993 [91]; Petrie 1993 [273]; Pittsburgh International Initiative of Western Pennsylvania 1991 [280]).

Indirectly related are those surveys and evaluations conducted on a particular business activity, which often help to determine the need for business assistance programs. A recent SPRDC summary report concluded that few manufacturers in the southwestern Pennsylvania region were engaged in any export activity (SPRDC 1994 [3620]). This has induced more work in promoting export activities of regional firms, again, in part, aided by programs at organizations such as SPIRC, PHTC, and BFTC.

A report of the Commonwealth of Pennsylvania's economic development is instructive here [Corporation for Enterprise Development 1993 (119)]. The report focused on business assistance programs with the aim to improve the state Department of Commerce's relation to local service providers. It found that the relation between

state and local service providers to businesses has changed over the past ten years and become more complicated. In part, it is more decentralized (as opposed to one-stop shopping) and requires more capacity-building for local providers. Additionally, the study found that the customer -- business -- does not necessarily distinguish state programs from local ones; they are perceived to be part of one business assistance system. This is an important finding for regional economic development. As what constitutes economic development grows and expands, more organizations with special expertise exist to delivery specialized services.

Conclusions. The documents converged on a set of business assistance strategies that the nonprofits, in part, have helped to pioneer. They are largely focused on small- and medium-sized firms, often involving updating technology or technology transfer from other firms or the universities. A more recent shift has seen growth in business skills assistance, listed in program descriptions, that focus on management, marketing and accounting issues, as well of factory operations or technological concerns. The CED (119) report confirmed that business assistance economic development has become more complicated and, hence, more decentralized. Some nonprofit organizations even offer other types of benefits to its members, such as the Pittsburgh High Technology Council offering group health benefits to its members, many of them small businesses.

Few reports were undertaken to evaluate the programs.²¹ The main report here is the University of Pittsburgh's Greater Pittsburgh Revitalization Initiative: Evaluation and Final Report [Ricci et al. 1994 [337], which contains an extensive evaluation of SPIRC activities after five years of operation. While we have commented extensively on this document in other sections of this report (retention, education and training), it is important to include it in this section as well. Since many of the business assistance programs are young -- less than ten years old, in many cases -- evaluations are deceptive. Firms often need time to learn about business services available and to avail themselves to those services. Particularly when the target market for many of these programs are small companies, evaluations must carefully consider the length of the program in assessing its progress in meeting goals and assisting companies.²²

We need better insights about the role that publicly accountable business assistance can play in retaining or attracting businesses with varying needs. Therefore, as part of contacts with businesses, there should be discussions about assistance that is sought from banks, realtors, government and nonprofits. Insights from these discussions should be shared with potential assistance providers as is done by SPIRC and others.

²¹ We have not included here state evaluations of state programs, such as the Ben Franklin Partnership.

²² In one internal evaluation of a small business assistance program (Steel Valley Authority 1994 (3723)], the program official noted that after obtaining lists of potential firms from the state's Department of Labor and Industry and its own subscription to Dun and Bradstreet he made cold calls to firms to explain their program and services available.

Business Climate. We next focus on those documents that relate the region's business climate to economic development. This section covers a range of the types of reports, but primarily the reports fall into the Analytic Document category. The business climate of a region is usually defined as that collection of institutions, policies and human resources that directly affect the firm. Typically, we can think of tax policy, labor costs, energy costs, labor relations, and other factors that directly increase or decrease the cost of doing business. The analytic documents contained here focus mainly on examining the local and regional business climate and assessing its affects on firm locations and firm expansions.

The Allegheny Conference's Strategy for Growth report considered business climate within its focus on improving the economic climate of the region. Specifically, its main concern addressed business taxes and tax reform. Although Pennsylvania recently approved a reduction in its corporate tax rate, it ranks -- until the change January 1 -- as the highest state corporate tax rate in the nation. This concern is echoed in a number of the other analytic documents on business climate, especially those prepared for or by the business community. The Conference on Real Estate of Southwestern Pennsylvania (1994 [116]), in its comparative analysis of factors affecting firm relocation in seven regions, including Pittsburgh, concluded that the business climate, including high net corporate income taxes, were the biggest problem for the region. In other tax areas, the Conference also recommended changes in assessments of both residential and commercial and industrial properties.

The second biggest concern of the Conference's Strategy concerned the labor climate. As addressed in the business assistance section, the Conference viewed the Pittsburgh (now Three Rivers) Labor-Management Council as a prime vehicle to address labor-management concerns in the region. At the time, the region was also perceived to be a "high wage area," though more recent work suggests that the region's relative position vis a vis other region's in the country has moved to a middle ground (Bangs and Hong 1994 [71]; Conference on Real Estate of Southwestern Pennsylvania 1994 [116]; Florida and Gleeson 1993 [166]. Furthermore, as the CRE and Florida and Gleeson work suggest, high performance manufacturing requires firm's investment in technology, making labor more efficient and, perhaps, reducing the relative importance of low-cost labor to highly skilled labor.

An earlier examination of the region's business climate by Ahlbrandt and Coleman ("The Role of the Corporation in Community Economic Development as Viewed by 21 Corporate Executives," 1987 [25]) found that the executives interviewed supported the findings of the Conference's Strategy for Growth report. Not surprisingly, organized labor was seen as an impediment to growth. The image of the region having adversarial labor-management relations was also seen as hampering firm attraction efforts [Haulk 1989a (197)]. The conclusions from the CEOs reported that the government should maintain "a competitive business environment, quality infrastructure and adequate public services and then get out of the way." It would be

interesting to compare the results of this survey with results from surveys of new firms. Most of the executives interviewed in Ahlbrandt and Coleman's piece were generally the CEO of old companies.²³ Entrepreneurs may have different views of economic development programs.

A more recent report on the region's business climate by Bangs and Snyder, "The Business Climate and Economic Outlook of the Pittsburgh Region: The 1990 Survey of Employers" (1991 [76]), concluded that three-quarters of the employers surveyed rated the region's business climate as excellent or good, although half did rate state and local taxes as a disadvantage. Some of these echo the previous year's studies [Bangs 1990b (61)]. The results of government's role here stand in stark contrast to the CEOs interviewed in 1986 by Ahlbrandt and Coleman discussed above (1987 25)]. Rather than "get out of the way," most respondents saw an expanded role for government through improving education and training, increasing economic development efforts, expanding financial incentives for business, and promoting the region more.

Conclusions and Recommendations. While most of the key strategic reports advertise a region of poor labor-management relations (Allegheny Conference 1994b [28]; Florida and Gleeson 1993 [166]), declining rates of unionization nationally and declines in manufacturing -- more traditionally unionized -- have combined to reduce the number of organized workers in the region [Hoerr 1988 (200)]. The Conference on Real Estate report 1994 [116] reveals that Pittsburgh is similar to other comparable regions (Baltimore, Cincinnati and Columbus) on a number of union-related indicators: share of manufacturing workers in a union, union elections, and percent of elections won by a union. Bangs and Hong (1994 [71]) note that workers involved in labor-management disputes have declined in Pittsburgh over the past fifteen years, as they have nationally.

We recommend that these facts be communicated as part of a continuing effort to attract businesses and market the region. It may also be useful to increase continuing support to monitor business and labor leaders opinions on these matters. It should also be noted that one of the RERI efforts [ACCD, 1994c (39.05)], the Pittsburgh Pledge, will attempt to build on and advertise a new labor-management commitment.

Human Resources and the Workforce

The last section of key areas concerns human resources and the workforce. In the above sections, we examined the importance of leadership and government in economic development and then considered the findings of reports that pertained to business revitalization strategies. Here we focus on people, through examination of employment and the labor force and through the education and training programs assisting employment.

²³ Two were CEOs of smaller, high tech companies and two were the presidents of CMU and Pitt.

Labor Market and Employment. The Pittsburgh labor market and its employment structure have changed dramatically with the shutdown of many steel and manufacturing establishments. That, of course, is the most salient factor gleaned from the documents and reports on the regional labor market and employment. Nonetheless we discern a change in the primary focus of many of the documents concerning labor market and employment issues over the decade to 1994. High unemployment and its impacts on dislocated workers drove most of the analysis on the regional labor market during the first half of the period we consider here. By the late 1980s, however, the main subjects of documents and analyses shifted to other areas of interest, including actual and potential job growth areas, spatial mismatching concerns, long term unemployment issues, and more general analyses of occupational and industry structure.

In this section we examine the documents pertaining to labor market and employment. As with our other key factors, this categorization is not mutually exclusive of other categories. Specifically it is tightly related to other studies on job training and education. Consequently we have attempted to make a division among a series of reports by whether their main emphasis was on training and education issues or, separately, on employment and the regional labor market.

Most of the studies on employment and the labor market in our bibliography are analytic documents, examining labor market and employment changes in conjunction with other factors, such as changes in the overall economy, relation to job training and education programs, and, particularly during the mid 1980s, relation to manufacturing. Key here are a set of studies by the Urban Redevelopment Authority [1989a (307); 1989b (308)]. This analysis concluded that large firms no longer dominated the manufacturing sector, a trend that continues to today.

Only a few are program proposals or evaluations, although more of these relating to employment can be found under job training and education. What we are focusing on here are the studies that analyzed employment changes in the regional economy and concluded with recommendations for improving labor market conditions and job structure within economic development.

Many of the analytic documents focused on changes in employment levels and employment structure. *A Generation of Change*, by Stoddard [1991 (374); 1992 (375)] and the URA [1991b (314)], presents a long term, detailed analysis of changes in the Pittsburgh economy from the 1950s to 1980s. Contained in these reports are five year employment changes over a 35 year period to the late 1980s. Stoddard (1991) concludes that the main forces affecting the city of Pittsburgh's economy have been restructuring, suburbanization, and demographic changes. He recommended some form of regional cost sharing, since implemented, investment in Oakland and the downtown, and greater attention to education and training.

Other studies examine overall changes in the region's employment structure; these include Bangs [1988b (58); 1989 (59); 1990a (60); 1990c (62)], Flora [1992 (165)], Misra [1992 (236)], and White [1989 (398)], among many others. Reading these documents together presents a somewhat mixed view of employment trends. Some analysts are optimistic about job growth, based on some recent gains from the bottom of the restructuring trough. Some portend much more of the same, which is a relatively flat trend compared to the sharp decreases from previous decades. Despite whether analysts are optimistic or pessimistic about the future is not the key to understanding their findings; all suggest little change in the current employment structure, where the fastest growing jobs tend to be in lower paying, service sectors [see, for instance, Pittsburgh Department of Finance, annual (295)].

On labor supply issues, general conclusions from the analytic documents point to some common themes. Overall, city and regional educational attainment fares favorably with the rest of the nation, but both the city and Allegheny County lag behind in percent of adults who have completed four years of college or more. These problems are particularly acute in specific parts of the region, such as in the City of Pittsburgh and the Mon Valley. Education and skills requirements are increasing in many sectors, but many workers lack basic skills to obtain those jobs (Bangs 1992b [65]; Deitrick and Harrison 1994 [155]). This theme resounds below in the job training and education section.

While long term unemployment continues in pockets of the region, a more general problem concerns underemployment as well (Bangs 1992b [65]; DeJong and Cornwell 1990). Underemployment and declining labor force participation rates, often stemming from displaced workers eventually dropping out of the labor market, represent underutilized labor potential as well as an increase in poverty among the population. Somewhat understudied, it appears from our listing, is why Pittsburgh has lower labor force participation rates than the rest of the country (and comparable areas). Tannery [1990 (379)] documented that, compared to the state, proportionately more workers in the Pittsburgh region retired before turning 65 and more people dropped out of the labor force in Pittsburgh than in lower unemployment areas of the state. While black labor force participation was lower than that of whites in 1989, both white and black residents of the region and males and females in the region had lower labor force participation rates than their respective national averages [Bangs 1990c (62)]. In the case of blacks and women, the difference between the region's rate and the nation's rate was 10 percentage points or more. Women in Pittsburgh historically participated in the labor force at much lower levels than in other parts of the country, owing in part to the dominance of heavy industry over light industry. Needed to understand fully the implications of these rates would be further breakdowns by age groups -- to account for the relatively large numbers of elderly here -- as well as along sex and race lines. If increased non-participation stems from displaced and discouraged workers dropping out of the labor force altogether, this will have a direct effect on the region's social costs.

Many studies documented continuing labor force and unemployment problems of African Americans (Bangs 1988a [57]; Bangs and Hong 1994 [71]); Cunningham and Yamatani 1990 [1220]; Deitrick and Harrison 1994 [155]; Gallop 1989 [170]; Glasco 1989 [1780]). These conclude that the process of economic restructuring was particularly devastating in the black community, as blacks have not benefited as much from the ongoing restructuring of the regional economy: unemployment rates for both male and female African Americans remain three times that for white city and county residents. Additionally recent work by Bangs and Hong (1994 [71]) confirms an earlier study cited in Glasco (1989 [1780]): that not only do blacks fare poorly compared to whites regarding jobs and income in the region, the white-black differential in Pittsburgh and Allegheny County is among the highest of the largest cities and counties in the country.²⁴

Another set of studies we identified are those that consider the regional labor market in comparison to other regions, either nationally or within a smaller sub-national grouping such as the Great Lakes region (Bangs and Hong 1994 [71]; Florida and Gleeson 1993 [166]; Glennan et al. 1989 [181]; Mitchell-Weaver 1992 [237]). All studies confirm that Pittsburgh fared worse over the restructuring of its regional economy with regard to employment and labor force changes than did many other metropolitan areas. They also confirm that Pittsburgh's position in the nation's hierarchy of urban places has been steadily declining, in terms of employment and labor force as well as other income and business measures. These documents serve as a useful guide to the relative changes taking place in region's labor force and labor market.

In most of these reports, the labor market and employment issues were part of a much broader economic analysis conducted by the authors. This points to a need here for a current comparative labor market study, assessing today's labor force skills, occupations and experience, compared to other regions or cities. The region often uses a "skilled labor force" as one of the strong points of the area, but what those skills are today and how they stack up to other places and the country as a whole is not clear from many of those marketing tag lines. Bangs and Hong (1994 [71]), for instance, show that both the region and the city rank relatively low in their share of skilled production workers in the economy compared to the U.S. average.²⁵ Better understanding of the region's skill base is needed.

Indeed, some recent regional studies give indication from a few select indicators that that notion of a skilled labor force may overstate the region's human capital base (Florida and Gleeson 1993 [166]). The relative decline in incomes and wages in

²⁴ Glasco (1989) cites a 1987 study ranking Pittsburgh forty-first out of 48 metropolitan areas regarding the comparative economic status of blacks and whites. Bangs and Hong (1994) found the city and county both ranking fourth worst in the nation on several income disparity by race and black poverty measures.

²⁵ The City ranked 42nd out of fifty largest U.S. cities; the county ranked 35th in ranking of fifty largest counties.

Pittsburgh can be attributed to the loss of many high-paying manufacturing jobs. But though increasing in number, service jobs often do not pay wages comparable to manufacturing jobs (Florida and Gleeson 1993 [166]). This also points to an increasingly bifurcated labor market, suggested by some, where real wages or income or both, at least for some segments of the workforce, have declined since the 1970s (Bangs and Hong 1994 [71]; Jacobson 1990 [205]), while a smaller but significant other group of highly educated, highly skilled workers enjoy rising wages.

On this issue, little in-depth work has been done on the occupational structure of new job creation in the region and who gets the jobs. Jacobson (1990 [205]) found that, in an average year between 1974 and 1989, workers not employed in Allegheny County filled about 60 percent of job openings. Many of these were, perhaps, new entrants into the labor market. It also suggests, as Hoover (Pittsburgh Regional Planning Association, 1962 [283]) observed many years ago, an increasing internal interdependence in the region as the outer edge of the region stretches across six counties. It also may suggest that some job openings may be filled by outsiders, though neither of these is readily apparent.

Interestingly we found no study focusing directly on migration into or out of the region and its relation to the labor force and employment. Most studies (Singh and Bangs 1988 [352]; Giarrantani and Houston 1989 [173]) reiterate a trend that Hoover found to date from 1920, that is the continued and uninterrupted net outmigration of people from the region and increasing with each successive decade.²⁶

Our bibliography also contains a number of entries on forecasting exercises pertaining to the regional economy. Many of these were conducted in the mid to late 1980s (Clark and Kutay 1988 [112]; Giarrantani and Cassing 1985 [172]; Malloy and Chinn-Ping 1987 [227]). One such study (Malloy and Chinn-Ping 1987 [227]) reported the changing occupational needs for the region, including the projected declines in blue collar labor and corporate support service needs. The Allegheny Conference in its 1984 A Strategy for Growth specifically identified a need for establishing an ongoing and dedicated Occupational Forecasting System. It recommended that the Allegheny County-City of Pittsburgh Private Industry Council (PIC) operate the system in order to establish better links and communications between job training institutions and the private sector. Though several studies presented the results of detailed forecasting models, and one was directly for the Private Industry Council (Clark and Kutay 1988 [112]), it appears that these efforts have not been continued into the present decade. It is also not clear, from some of the documents, how these forecasts were used.

²⁶ "Net outward migration of people from the region, for example, was found to prevail not merely in the present and recent past, but at least as far back as 1920," Edgar Hoover, "Pittsburgh Takes Stock of Itself." In City and Suburb: The Economics of Metropolitan Growth, ed. Benjamin Chinitz (Englewood Cliffs, N.J.: Prentice-Hall, 1964).

We include here a number of important data resources. SPRPC provides a number of these through its forecasting efforts: Population, Households, Employment 1985, 1990, 2000 (1987 [365]; and Cycle V Forecasts for the Year 2015 (1994a [369]). The usefulness of these forecasts, and particularly Cycle V is not certain, however. Cycle V was done in conjunction with SPRPC's long-range transportation plan (Year 2015 Working Plan: Long-Range Transportation Study for Southwestern Pennsylvania 1993 [368]). Of particular attention are the population forecasts that predict 25 years of population growth over the 1990-2015 period for the City of Pittsburgh, all counties and the region. This is based a recent population growth and thus understates the importance of three decades of population decline in the region. A turning point in decline was reached in 1991-92 which is evidently used to project both population and employment gains in the region.

UCSUR's Benchmarks series also represents an important data source for the region.²⁷ Benchmarks reports on selected indicators of the City and County compared to the nation; an advisory committee oversees the effort. The inclusion of key indicators distinguished by race is an important addition of the most recent Benchmarks. The list of suggested topics for further research might also be worth some emphasis. In addition, Benchmarks is really the outcome of an effort that began with UCSUR's first State of the Region Report (1984 [357]), which emphasized the building and maintaining of a data base of economic and social indicators to use to monitor the region's progress.

Conclusions and Recommendations. Despite a long history of monitoring economic and demographic indicators, the region still lacks a comprehensive examination of the current labor force. This gap warrants filling. Insights gained here could better inform ongoing education and training efforts. A decade after the majority of mill layoffs and closings may find a workforce substantially different. This needs to be documented to understand the skill base -- and skills needs -- of the workforce.

Additionally, within employment and training, there are other areas of potential concern. Migration is understudied, left to the general conclusion that net migration is negative (outmigration exceeds immigration) and the trend will continue. This does not reveal why people move and who the movers are, both the immigrants and outmigrants.

Finally, labor force participation among all races seems to be lower in Pittsburgh. Some of the studies suggest that people leave the labor force in higher proportions than comparable places is at least part of the reason. Understanding the reasons for lower labor force participation in the region, and what some policy options might be to increase participation, especially among select groups, might be another avenue for further work.

Education and Training. We made no systematic effort to assemble materials on education and training, per se. To have done so would have been as great a task as

²⁷ Benchmarks, like this project, was jointly sponsored by the City and County.

doing this review of the locally based economic development literature. But education and training has been a significant element of this region's economic development strategy since the early 1980s. At least 57 documents in the bibliography address economic development through education and training. About half of these are recent - published between 1989 and 1992. More than half are Analytic Documents that analyze labor market data, businesses' personnel needs, or occupation-based educational programs.²⁸

The region has placed education and training in high standing through various initiatives supported by leadership organizations. Indeed, six of the most important strategic documents identified in this report address education and training (387, 28, 238, 284, 280, and 53).

Shortly after the ACCD's release of its Strategy for Growth, The Center for Social and Urban Research at the University of Pittsburgh initiated a series of occupational forecasting efforts.²⁹ At the same time, a series of more focused analyses were undertaken. Entitled "Targeting Training to Jobs," this effort studied specific business groups because occupational forecasting done on a labor market basis was too general to inform specialized job training programs.

The first set of these studies was designed to assist the PIC (Private Industry Council of Pittsburgh and Allegheny County) to market graduates of the training programs it supported. Studies of three specific groups of businesses were done: ambulatory health firms [DeAngelis et al 1986b. (143)]; firms with repair technicians [DeAngelis et al 1986a. (142)]; cable TV firms [DeAngelis et al 1986c. (144)]. In a second phase of this project the PIC determined that it needed insights about its training programs' curricula; it sought prioritized information about the tasks and duties that newly hired employees in specific occupations were expected to possess. Another study reported on the relative weights that employers placed on specific skills of potential employees [DeAngelis et al 1987 (141)]. These insights were used by PIC to guide their allocation of resources in supporting training programs.

In addition to this work a series of studies were completed regarding the emerging advanced technology businesses in the region. After surveying the occupational needs and recruiting problems faced by advanced technology businesses [DeAngelis et al 1985 (154)], a comprehensive study was undertaken with the support of the PIC, Ben Franklin Partnership, and the Pittsburgh High Technology Council [DeAngelis 1989 (133, 134)]. One of the products of this study was a description of hiring practices in specific types of advanced technology businesses and an inventory of the education, experience, and salaries of newly hired personnel by occupation. Using this information it was possible for education and training programs to focus on this

²⁸ There is overlap between these documents and others, including those on the overall economy and the labor market. Our assessments of these documents is contained above in the employment section.

²⁹ These are described in the section on labor market and employment.

emerging market. In at least one case a training program for “assemblers” was established based in large measure on the findings from this work.

The University Center for Social and Urban Research and Allegheny County Commission on Workforce Excellence (ACWE) continued their involvement in this sort of occupation-specific research. Four occupations were examined: health care personnel [ACWE 1991 (41)]; electronic equipment technicians [Bangs et al 1991 (72)]; print and video technicians [Bangs et al 1991 (75)], and environmental technicians [ACWE 1991 (40) and Bangs et al 1991 (73)]. In the case of environmental technicians a program was successfully established at CCAC (Community College of Allegheny County) with the assistance of ACWE. This training program has recently graduated and placed its first class. The basis for organizing this program was ACWE’s convening of focus groups to discuss needs, curriculum, and related matters.

It is significant to note how confounding it can be to bring social science research methods together with program design and implementation. The ACWE’s findings from their focus groups differed from those of the systematic survey of 134 firms who employed people that could be defined as environmental technicians. The respondents from most of the firms did not report much demand for these people and, when they did, preferred people with college degrees. While the report concluded that the survey’s sponsor, the Western Pennsylvania Advanced Technology Center, should support a small Job Links Program for welfare recipients, there was nothing in the survey that tested the receptivity of the perspective employers to people from such a training program.

A reasonable conclusion might be that efforts to bring information to program formulation are imperfect and not well established. We have just sighted two cases. In both, some information was introduced as a basis for action and there were successes. However, in one of these cases there was systematic survey information that seemed to contradict focus group information. Furthermore, in a discussion with one of the principals in the CCAC education program, there was no awareness of another potential initiative undertaken by the PHTC to establish an environmental business group. While their mission might be quite different from the education and training program’s, it would seem as though there might be some mutual interest in well-trained employees. This example shows that mutual interests exist: in analytic work where findings can be triangulated, in program development where common interests can be shared, and in program evaluations where outcomes can be more widely understood.

A significant number of educational and training documents in this bibliography were program oriented. During the decade the ACCD reported on the achievements of various educational and training initiatives (32, 36, 38).

As noted earlier the needs of displaced Mon Valley workers and their families received special interest by the Mon Valley Commission in its outline for the Valley’s recovery (238). In mid 1987 the Mon Valley Education Consortium (MVEC) was formed

in response to a recommendation of the Mon Valley Commission. Its leaders called for enhancing public awareness of the importance of education.

In a paper, "Education and Training in the Mon Valley" [La Belle and Ward 1988 (215)], prepared for the University of Pittsburgh's President's Conference: Mill Towns: Despair, Hopes, and Opportunities. Its authors describe and assess the Valley's school districts; take a special look at the vocational/technical and job training programs; and make suggestions about how to enhance the efficiency of educational resources in the valley. Among the suggestions are programs that share or consolidate scarce resources; support from the state and consortium; better JTPA forecasting and management; and a new image favoring the value of education.

In the University of Pittsburgh's GPRI [Ricci et al 1994. (337)] the authors concluded that "... MVEC is making a difference in the working environments of most schools in the Mon Valley. One feature of MVEC that distinguishes it from most restructuring efforts is the breadth of the undertaking. Few attempts at restructuring, according to a national study, make a serious effort to create change in more than one or two areas. MVEC is active in the dimensions of creating new student experiences, modifying the work environment of teachers and principals to resemble that of the more independent professions, site management and governance, and school and community collaboration." This favorable assessment supports longer term objectives in the Mon Valley.

On a shorter term basis, a report by Bangs [1992a (64)], addresses the concerns of displaced workers who seek job placement. The author builds on findings from The Business Climate and Economic Outlook for the Pittsburgh Region [Bangs and Snyder 1991 (76)], in which they found that the proportion of all job openings being handled by Job Centers was relatively small because little job development and marketing of services to employers is done due, in part, to staff cutbacks. That study found that a sample of 300 Allegheny County employers who were seeking employees (especially clerical people) during 1990-91 found no particular difficulty in finding skilled workers. Furthermore, most of these employers have not increased the skill requirements for new employees during the five years prior to being interviewed. This "suggests that job matching, especially in conjunction with skill assessments, rather than training is sufficient in many cases. . . ."

In the more recent report (Bangs. 1992a. [64]) the researchers actively involved themselves with the McKeesport Job Center and others including JTPA's offices (Bangs and Soltis. 1989a. [77]). They identify job seekers who lived in the Mon Valley and had filed with the Job Center. Contact is made with these 544 people; 210 of whom are found to be "initially" available for employment. An assessment of skills and other factors is made. In general the clerical and machine trades skills they possessed exceeded those being sought by employers. About half of these people were still available at the end of the project. The authors conclude that lack of skills, that might have been imparted through training, was not the reason for this outcome. Instead they

assessed the job matching process that was being used and concluded, as others must have done, that it was inefficient and ineffective. The authors make a long list of recommendations for improving the job matching system including suggestions based on systems that are being used or developed elsewhere in the country.

Public education in the city of Pittsburgh is a topic by itself; we do not address it in this analysis. But in 1989 the city of Pittsburgh in its Priorities for the Nineties project (284) gave special emphasis to youth, education, and displaced workers. These concerns were being expressed in several contexts but community based economic development was one of the more important of these. In the early 1980s a set of economic development studies [Bears 1982. (82), 1983 (83)] were completed. One of their key elements was the matching of North Siders' labor force characteristics with the workforce characteristics of potential businesses that might be candidates for recruitment to North Side locations. The idea was that certain businesses might be more advantageous to these residents than other types of businesses. This concept was to bring the jobs to the residents. To use suitable training to get residents to "nearby" jobs.

More recently the focus seems to have changed. The Strategic Plan for Economic Development in Pittsburgh's Hill District [Shorebank et al. 1990. (346)] presented a joint development strategy to attract businesses and help residents be more mobile. Studies such as these recognize that job growth does not necessarily occur where high unemployment exists. This report recommended that residents should be transported to the jobs. Several of the key transportation studies (48, 366, 371), that address linking the region's core to the international airport include this rationale in their proposals.

Two key studies reinforced this work: The Job Growth Centers of Allegheny County [Bangs and Soltis 1989b (78)] and Linking the Unemployed to Growth Centers in Allegheny County [Bangs 1991 (63)]. The first study documents employment change in municipalities by using occupational tax records from 1984 and 1988. There was a net increase in the 106 Allegheny County municipalities that collect this tax on 51,000 jobs; the net decreases were concentrated in the Mon Valley. The increases were concentrated in Pittsburgh (24,000 jobs) and evenly distributed throughout the rest of the county. The finding was that job growth was geographically balanced. This study debunked at least one myth about all growth taking place outside Pittsburgh -- some growth is in the city. The Mon Valley, as expected is the major net loser of jobs. A series of recommendations are made; the Mon Valley recommendations deal with concentrating development and education efforts in the Valley and establishing commuting support for Valley residents who need access to jobs outside the Valley. Perhaps, the one provocative recommendation that is explicitly derived from the analysis is that "speeding up job creation is unnecessary and may be harmful in a tight labor market."

The second study concludes that workers can't find good jobs because of supply-side problems. They lack ability to market themselves, don't spend enough time

looking, lack information on where jobs are, and lack higher education. No mention of any demand side problems is made. Also, the report states that transportation is not a problem for most of the unemployed because it is a barrier for "no more than 20 percent" of the unemployed. This research is based on a survey of county residents with employment problems (i.e., people at Pennsylvania Job Centers, in veterans support programs, or involvement with JTPA).

One conclusion that may be drawn from these analyses of the spatial aspects of job growth compared to concentrations of unemployed people is that transportation mobility programs may be gaining favor over moving the jobs into areas with high concentrations of unemployed people.

In addition to the Mon Valley and city of Pittsburgh based reports on public education there were three other important documents that addressed aspects of public education's relationship to economic development. In "The Public Schools and Regional Economic Issues" [Cooley and McClure. 1989. (117)] the authors explain that the education establishment spends \$1.5 billion in educating 333,000 students annually and that they are an economic and political force with which to be reckoned. The next point is that funds for running the schools are exacted through taxing a declining tax base which can get better by having a better educated labor force; but there is a the catch. How do the public educators meet the challenge to improve the local labor force when resources are shrinking and needs are expanding? Some sorts of consolidation or cost sharing would seem worth exploring. This argument, of course, joins economic development, public education, and government reform together.

Policy Options for Workforce Development in Allegheny County [McClure. 1990. (230)] may have been a structuring element in the creation of the Allegheny Policy Council for Youth and Workforce Development that was an outgrowth of the Allegheny County 2001 project. In this report the author overwhelms the reader with the competing views of practitioners and scholars on the issue of workforce development. She argues for the creation of a multi-member commission on workforce quality that should focus on "community development," a term that includes "economic development." The author reviews a considerable array of literature, some of which is Pittsburgh based and challenges local leaders to think differently about linkages between education and work.

In "School Districts and the Regional Economy: Local Control and Workforce Development." [McClure. 1992. (231)] the author argues that "if Pennsylvanians cherish both local schools and regional workforce quality, they may need to develop new taxing mechanisms that raise resources regionally but spend locally." In a sense this article addresses economic development from the perspectives of public educators in a fiscal environment that is influenced by the regional economy and changes in real property values.

The Business Consortium on School-to-Work is a recently established group made up of TDEC, PHTC, the Greater Pittsburgh Chamber of Commerce, TEC/PA

Small Business United, the Hospital Council of Western Pennsylvania, and the existing Youth Apprenticeship/School-to-Work program sites. The Business Consortium for School-to-Work Opportunities brochure [Technology Development and Education Corporation. 1994. (382)] looks at various school-to-work programs, how they came about and why, and what a more comprehensive, "market-driven" school-to-work system would encompass. Currently, though there are only 14 students enrolled in a Youth Apprenticeship (YA) program in Pittsburgh, at Peabody High. Eleven students are enrolled in the YA program at Western Area Vocational-Technical School, while next fall, McKeesport and Beattie Area Vocational Technical Schools will begin programs. The region's Youth Apprenticeship programs are coordinated through SPIRC. This effort has its origin in some of the initiatives taken by the ACCD in the early 1980s and is based in part on analyses done during the later 1980s [Bodilly et al. 1989. (89) and Bodilly. 1989. (88)].

Conclusions and Recommendations. Finally there is at least one document in the bibliography that represents an overall assessment of the status of education and training as an economic development effort. Getting the 'Jobs' Done [Thomas. 1992a. (384)] was produced through the University of Pittsburgh's Institute of Politics. In it the author reviews the status of various education and training efforts and comments on what seems to be known about the labor market and overall economy. It is generally a positive review of the status of education and training initiatives that have been undertaken as part of this region's economic development efforts.

We generally concur that the programs are being insightfully created and evaluated. This is part of the tradition of the education establishment. What is more needed is the labor market analysis mentioned above.

CONCLUSIONS

Within the large number of items constituting economic development documents, a few represent critical studies that had a wide ranging impact on programs and policies. The Allegheny Conference's A Strategy for Growth laid out, at the time, the course for much of economic development in the 1980s. While the Pittsburgh economy was undergoing a rapid transformation in its industrial structure, the Conference's report struck a tone of optimism in helping the transition to a new regional economy. At the same time, though the Chancellor's Conference Recommendations presented a broader scope of development, many of its recommendations were not achieved over the course of the decade, but they have emerged more recently as important initiatives in government reform and institutional leadership.

By the close of our period of study, Carnegie Mellon University's report, Toward a Shared Vision, showed how the region had fared over the two decades to 1990. Noting that the transition had left the region in a middling position, at best, compared to other parts of the nation, Toward a Shared Vision found dissonance among the

economic development establishment in being able to set a new course. It called for a "shared vision" in setting that new direction.

These reports, coming at the beginning and end of the period we reviewed, operate as bookends to the hundreds of other reports and documents that constitute, in some way, components of the region's economic development literature. In between, as we have shown, lie the documents from which a number of conclusions can be drawn.

- *Southwestern Pennsylvania economic development efforts over the last decade have produced, as a by-product, a very rich collection of analyses.* This project amassed over four hundred items relating to this region's economic development. As our analysis shows, this material has covered an extraordinary array of topics and has included the consideration of many ideas, some of which have been implemented. This is an extraordinary resource for people and organizations concerned with economic development.
- *The climate for leadership in Pittsburgh has changed.* Many of the documents we reviewed stressed the importance of recognizing that change as new institutions emerge to take on some of the tasks. New partnerships, often involving new players from the universities and other nonprofit institutions, have sought out newer avenues of growth in sectors such as health and biomedical industries, software and robotics, while working to strengthen the existing base in other sectors such as transportation, metalworking, and environmental industries. Many community-based organizations have organized more effectively in terms of economic development, constituting a new core of smaller activities, often linked to larger, regional and statewide entities.
- *Many of these documents have championed the call for greater coordination in regional economic development.* The proposals for that coordination differ, but generally they use other regions' coordinated economic development organizations as their blueprint. The main thrust for this, though, must stem from local governments taking the lead in creating that coordination. A better coordinated regional economic development direction must entail local governments acting cooperatively at the outset.
- *What constitutes economic development thus must also be addressed.* Many of our entries present critiques of regional economic development efforts that systematically left behind core constituencies and parts of the region. Likewise, many of these critically and positively assess innovative efforts that some of these people and places have developed, often with foundation and state funding. Oftentimes these initiatives represent capacity-building efforts for individuals, businesses and communities. Consequently, they operate over a longer term than more typical economic development activities and hence, should be viewed that way.
- *What government should do to promote economic development finds a tension existing between those organizations that represent primarily the traditional business community*

and those that represent other groups, such as neighborhoods, labor, and small businesses. While the former advocate government spending in areas such as infrastructure building, the latter advocate for policies on entrepreneurship, sectoral targeting, funding assistance, and business development. The foundation community plays an important role in these newer economic development ventures. These are, by and large, nonprofit organizations that receive their funding from a combination of public, private, and university and other nonprofit sources.

- *Dissatisfaction with prospects in the regional economy by members of various communities exists.* This dissatisfaction is expressed in a number of reports, including those on airport development, the relative decline in the African-American community, types of jobs created, transportation planning, and business climate.
- *Despite the number of studies and initiatives, parts of the regional economy continue to languish with few signs of rejuvenation, such as the Mon Valley.* Broadly-based regional efforts have focused on individual firms and communities in the Valley, but these have not been incorporated into a larger view of the regional economy. Many have noted that many segments of the population, minorities, women and displaced workers, for instance, were "not part of the public agenda-making process" (Coleman). Activist community-based groups, though necessary for legitimating other organizations' economic development plans, had little influence on the economic development agenda (Jeziarski). Furthermore, a gap exists between stated goals concerning social concerns and implementation of projects. This is particularly apparent when stated goals include addressing social factors, which are largely ignored when funding goes to large-scale, capital projects.

Key Findings:

From our review of these documents, a number of key findings emerge:

- Public and private interests need to find more common grounds on which to establish reinforcing strategies.
- The region has not capitalized as much as it could on many changes that have occurred. This represents an opportunity for increased marketing and attraction efforts.
- The city and county have found areas of common interest that produced cooperation between the two. They have forged alliances in education and training programs, the Regional Assets District, and Strategy 21 capital improvements. Economic development represents another area where more cooperation is possible and desirable.
- Cooperation could create a regional economic development authority, which has been proposed or discussed by many over the years under review here, including Richard Caliguiri, Roger Ahlbrandt, and the Regional Economic Revitalization Initiative.

- New leaders in regional economic development are emerging. They are largely coming from the nonprofit community, often with foundation and state support.
- In the key strategic economic development documents, some constituencies “have not been part of the public agenda-making process,” regarding economic development over the past ten years.
- Many of the region’s economic development programs have ambitious missions; their performances need to be evaluated. The Greater Pittsburgh Revitalization Initiative’s evaluation of a number of regional programs represents the type of analysis needed.

Recommendations for future work:

We recommend the following steps be taken jointly by the city of Pittsburgh and Allegheny County governments in cooperation with others, such as the ACCD and the Pennsylvania Economy League to provide funds for research to continue this work:

1. A comprehensive inventory and analysis of all economic development organizations within the region to learn how each organization was established, who governs it, what each has done, with whom it has collaborated, and from whom it receives financial support.
2. Current comprehensive examination of labor market study of skills, occupations, mobility, and migration.
3. Systematic analysis of potential local government reforms that might affect the region’s economic development. These might include more collaboration between the city and the county on investment programs, business assistance, project evaluation, land use regulations and tax based sharing. Allegheny County, for instance, lacks an agency and direction in economic development. Economic development in the city of Pittsburgh is found in a number of offices, including the Mayor’s office and the URA.
4. Evaluation of the region’s attraction and marketing efforts, including both domestic and international firms. Greater analysis of tourism and entertainment opportunities. Better marketing of the business climate facts.
5. Continued work studying current retention efforts, e.g., the GPRI report. Also needed is a study of retention needs of nonmanufacturing firms, such as air services, universities, and importantly the health sector.
6. Studies examining linkages and relationships among firms and industries. Needed are studies at the firm level of key sectors in the regional economy, including emerging industries such as information technologies, robotics, and software, along with sectors such as metalworking and environmental industries.

7. Efforts to understand better the nature of business assistance that firms receive and seek.

Additionally, we recommend the following steps regarding this research project itself and the report after its dissemination to the economic development community:

1. Establish an archive of these locally relevant materials to assist researchers, program managers, and other supporters of the economic development enterprise to build on past work; keeping such an archive would improve communication among all interested parties. This would enable scholars and practitioners to use the archived materials in their work
2. Provide incentives for a group of researchers to review new materials as they are created. Such a critical review would require looking back at what had been done and putting current work in that context. At that point the creators of current work could be invited to participate in discussions of their work with others who have, or are willing to, develop knowledge of local economic development research.
3. Convene quarterly workshops on current economic development work that is relevant to this region's revitalization and publish a periodic bibliography which contains articles or analysis that have been informed by a review of the bibliography's contents.

APPENDIX A. Methodology

This bibliography is more extensive than might have been anticipated. There has been a considerable amount of economic development work done and documented during the last decade. The bibliography and our efforts to discover its contents are the bases for this report. Over 400 citations are included in the bibliography (Appendix B); they include studies and documents pertaining to Southwestern Pennsylvania's economy and many organizations' economic development efforts. We identified the collection and assembled its content using a snowball approach.

Creating the Bibliography. Our key step was to solicit potential citations for the bibliography from the following agencies (with the assistance of key people):

1. Allegheny County Department of Planning (Ray Reaves)
2. Allegheny County Department of Development (Neil Strong)
3. City of Pittsburgh Department of City Planning (Edwin Wells)
4. City of Pittsburgh Urban Redevelopment Authority (Anthony Taranto)
5. Allegheny Conference on Community Development (Richard Stafford)
6. Pennsylvania Economy League (David Miller and Brian Jensen)
7. Southwestern Pennsylvania Regional Planning Commission and the Development Council (Rita Pollock)
8. Pittsburgh High Technology Center (Tim Parks)
9. Technology Development and Education Corporation and the Southwestern Pennsylvania Industrial Resource Center (Ray Christman)
10. University of Pittsburgh University Center for Social and Urban Research (Ralph Bangs, Steve Manners, & Vijai Singh)
11. Penn's Southwest Association (David White)
12. Regional Industrial Development Corporation (F. Brooks Robinson)
13. Carnegie Mellon University Heinz School of Public Policy and Management (Tim McNulty)
14. Duquesne University College and Graduate School of Liberal Arts and Sciences (G. Evan Stoddard)

Most often, obtaining the documents and reports consisted of rifling through bookshelves or boxes of publications in key people's offices. Very rarely were these collections easily accessible or catalogued, though people in these agencies were very helpful in pulling materials together for us.

This interactive process, while inefficient, granted us a special benefit; it allowed us to get sense of what documents key people considered to be most important. Sometimes we were encouraged to contact people in other agencies, such as the Port Authority, Allegheny County Redevelopment Authority, Allegheny County Commission on Workforce Excellence and others. Nearly all contacts yielded a valued contribution to the bibliography.

Thus, as more people mentioned the same documents, we became satisfied that we were reaching a point where further interaction would have only marginal benefits in terms of expanding the collection. What we discovered in this process was a collection of over 400 documents on the region's economic development.

As impressive as the extent of this work seems to be, there could have been more; we have exercised some quality control in the bibliography by excluding a few items that did not meet a minimal standard of acceptability or that were not supported by a viable organization. But, we have included all documents that contributors felt were of significance to economic development efforts.³⁰

As we gathered materials for the bibliography, we produced a common format for each citation. In most cases we associated documents with the sponsoring organization, but when specific authors were listed on reports, we referenced the document by the author.

Annotating and Classifying the Bibliography. We have also annotated most citations³¹; this proved to be extremely helpful, given the number of documents with which we were working. We extended this process to develop a more analytic tool for ourselves. We wrote the annotations to address the key factors of the study and to consider them in light of other pieces of research on our reference list. Consequently, we have not always described the citation's content in as dispassionate a way as a professional librarian might; we have often favored giving special emphasis to a citation's relevance to our analysis. In fact there are citations with which one of us was so familiar that we felt no need to write a comment. In some cases the annotations remind the reader that a particular item's conclusions may not agree with another. Often, in those cases, we have commented on some possible reasons for this. We could not get some citations to review and could not compose a comment. We also used others' comments and revised our comments based on feedback from reviewers or after our further scrutiny of the material.

In addition to using a common format, each citation was established as a record in a data base management system.³² Fields were created to allow analysis by date, title, author, and several other characteristics:

³⁰ There are certainly other materials that have been of significant value to people in organizations who have been investing and disinvesting in this region since the early 1980s. Our resources did not permit us to identify these materials in a systematic way; to do so, it would have been necessary to peruse the files in many other types of organizations, such as newspapers, banks, trade and professional organizations, labor unions, real estate developers, and other civic organizations.

³¹ Copies of the annotated bibliography are available for the cost of reproduction at the Pitt Copy Cat, as noted inside the front cover of this report. These annotations are also included in the ACCESS data base.

³² The data base management system that we used is Microsoft ACCESS Version 2.0 for Windows. Using this system allows the creation of differently formatted reports and various queries. It is also possible to export ACCESS files to other Microsoft programs such as Word for Windows and Excel and to other commonly used formats such as Dbase files or Word Perfect text. However, the process of

- Type of Document included the following categories: strategic documents; program descriptions, proposals, or evaluations; impact analyses; analytic and resource documents.
- Types of Industry were sometimes featured; when they were, distinctions were made among: manufacturing, advanced technology, overall economy, retail, culture and entertainment, transportation, services, international, environmental.
- Geographic Focus of some documents was important; when it was, distinctions were made by nation, state, region, city of Pittsburgh, Allegheny County, Mon Valley, the international airport, and Pittsburgh neighborhoods.
- Keywords are the key terms we've identified: leadership, retention, attraction and marketing, industrial targeting, business assistance, business climate, education and training, human resources and the workforce, government reform and investments.

General Assessment. In general, however, there is a mixture of standards that exists among the documents in this collection of economic development material. For example, some materials have been written in self-serving ways as a means of promoting an organization. In these cases there is no critical review of the material before its being published. In some cases it has been common to find "good news" stories in various organizations' newsletters or annual reports; it has been less common to find case studies of unsuccessful businesses that have closed or relocated from the area or businesses that considered a location in this region but chose another place.

Still other materials have been subjected to reviews that have left them academically interesting but practically less relevant. Some analytical reports have been done under the auspices of critical academic review; even though these reports are frequently sponsored by non-academic interests, they do meet a relatively high research standard. There are also reports that do not seem to have met that standard.

For example, if a report's research design or projection method is obviously flawed but the report's recommendations seem to have had a significant impact on locally based economic development policy or programs, we noted the flaws and acknowledge the impacts. By the same token we recognize that some of the paradoxes or direct contradictions among reports can be traced to incompletely defined or faulty methodology.

Often writers are not as attentive to describing their methods as they could be. Sometimes readers are not aware of research nuances. One consequence is that readers do not appreciate some of the caveats to their findings, conclusions, and

exporting imposes limitations on certain types of information and truncates particularly long fields most notably the annotations.

recommendations. Another consequence is that researchers do not appreciate the immediate needs of their clients.

Perhaps the one general conclusion that can be offered about documents in this bibliography is that there would be some value added if it were possible for the authors and sponsors of various documents to have more opportunities to read each others work and to offer constructive criticism of it.

In a sense we have modestly tried to move towards this standard by inviting key people in the economic development community to review an early draft of the annotated bibliography and to comment on items that should be included. We invited over thirty people to provide reactions to the draft bibliography. In the bibliography's introduction we explained this project's objectives, how we created the bibliography, and how we were making a data base from it. We encouraged the reviewers to share the draft with their colleagues and to send us suggestions about omissions and editorial remarks. We also invited the reviewers to complete a brief questionnaire about the potential utility of this data base.

We received written comments from the following people: Ralph Bangs and Steve Manners, Barbara Bateman, Robert Beauregard, Pat Beeson, George Braun and Neil Strong, Ray Christman, Morton Coleman, Frank Giarrantani, Bessie Economou, Richard Feder, Eloise Hirsh and Edwin Wells, David Miller and Brian Jensen, Tim McNulty, Bob Pease, Rita Pollock, Ray Reaves, Alberta Sbragia, Larry Simpson, Evan Stoddard, Joel Tarr, Tom Croft, and David White.

Reactions to the draft report were positive. Based on these comments there are few specific items that were omitted; the consensus was that we had included the key work and considerably more. We added several items, particularly some annual reports and newsletters from key organizations. However, we usually did not usually include these because we found no indexes that systematically identified organizations' publications, annual reports, and newsletters; none of the economic development organizations have such indexes. While many of these organization's materials may be promotional, they do contain descriptions of recent activities and reflect shifting economic development priorities. For this reason they add value to this bibliography. At some future time working with these organizations would be the a practical way of systematically creating a bibliographic resource.

In four cases reviewers took exceptions to our inclusion of certain reports or our annotations of some reports with which they have familiarity. We have found these comments very useful. The general points are that not all reports are of equally high quality and that our assessments of those qualities are not value neutral. Rather than eliminate a significant citation from the final bibliography, as has been suggested, we have taken care in the final bibliography to more evenly characterize significant citation's strengths and weaknesses while reserving the prerogative of expressing our own assessments as "comments" rather than "abstracts" or "annotations".

Maintaining the Bibliography. Responses to the questionnaire, whose primary purpose was to determine the level of interest that might exist in maintaining the bibliography, were helpful. Seven of the eleven respondents agreed that keeping a bibliography like this up to date was an activity that would be useful to them in their work. Five of these seven people and two others thought they would be willing to subscribe to some sort of newsletter that would periodically announce updates to the bibliography. These people were not asked about a subscription fee for such a newsletter.

In a second set of questions we explored respondents' interests in having access to the actual materials that have been cited in the bibliography. An accessible location, like the Carnegie Library or one of the university's libraries, was suggested. Seven of the eleven respondents thought having access to such a collection would be useful. However, only two of the respondents indicated a willingness to pay an annual fee to have such access.

Other questions asked about expanding the bibliography to include pre-1983 work or subjects other than "economic development". Only three respondents supported including pre-1983 work and only two respondents suggested additional bibliographic topics. One respondents' topics included urban renewal, community development, city planning, housing, and education & training.

Based on what respondents have said, there does seem to be some value in trying to maintain the bibliography by creating an archive of reports, periodically updating the collection and the bibliography, and communicating with the economic development community.

Key suggestions were that second and third echelon staff and graduate students with expectations of pursuing careers in economic development would be the most likely beneficiaries of such an undertaking. These are the people who need to develop awareness of the region's economic development history as they undertake new initiatives or seek to expand our efforts to bring knowledge to action through research.

Since so few of these items are well known, having a current bibliography might reduce the inefficient expenditure of scarce resources. Improved communication might also reduce some of the disagreements among economic development organizations and their agents.

We also found that finding resources to undertake the maintenance of the bibliography would be unlikely to come from the respondents to our questionnaire. Accordingly, there would be a challenge to maintain the bibliography and to communicate with potentially interested people. We recommend that the City of Pittsburgh and Allegheny County respond to the challenge by providing support for this effort.

Susan E. Clarke and Gary L. Gaile, "The Next Wave: Postfederal Local Economic Development Strategies," Economic Development Quarterly 6, no. 2 (May 1992): 187-198.

Norman Krumholz, "Equity and Local Economic Development," Economic Development Quarterly 5, no. 4 (November 1991): 291-300.