

**2010 SRSA Fellows Address, March 26, Crystal City, Arlington, Virginia
Institutions and Comparative Regional Research***

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When I started to think about the topic of this paper/talk, I sat down with some colleagues and threw out a few general ideas to get their reactions. I envisioned days devoted to reading and hours thinking profound thoughts as I prepared it. I do not know why I had this fantasy. Long ago I learned that days devoted to reading are a luxury; something that surprises friends and family who are not professors.

But I found my thoughts turning more to the everyday than the profound. As a result, this is a more personal view of regional science, which draws on my experiences and my training in both institutional economics and regional economics. I will start with some of those experiences and the questions they raised for me about the importance of institutions¹ in regional development and some of the difficulties of doing comparative regional research. While I include regions at many levels of aggregation, my particular interest is how to incorporate institutions into the analysis of regional differences in economic development. I want to explore what literature and methods are out there that can provide insights into better ways of incorporating institutions into comparative regional research.

1. PERSONAL EXPERIENCES THAT RAISED QUESTIONS

The International Comparative Rural Policy Studies (ICRPS) Program is a consortium of about ten universities from the U.S., Canada and Europe. Every summer we offer a two-week institute for graduate students and policy professionals. The objective is to build a network of future researchers, policy analysts and policy makers who recognize the importance of historical, cultural and institutional differences among countries and how those differences affect the way that policy makers and researchers from various countries think about policy. The consortium was started because the ability to think comparatively and to understand why differences exist among countries seems to be lacking in many international arenas or discourses.

For me, as a faculty member, there are many benefits to participating in the program: I get to have discussions with a great group of colleagues from other countries and learn about new policy issues or actions taken by various countries. (I also learn all sorts of new acronyms and jargon.) I get to have discussions with graduate students and policy professionals from about 15 different countries each year who are intellectually curious and also just plain fun to be around. I get to go to a different country every year and be immersed in some policy issue as well as learning more generally about the history, culture and institutions of the country.

During the summer of 2009 the program was held in Scotland. I got to visit Adam Smith's grave and to stand below his statue on the Royal Mile while my sister humored me by taking pictures. But let me give you an example of how this experience led to reflections about comparative regional research.

* Thank you to my colleagues Thomas Johnson and Steven Deller for discussions of some ideas contained in this paper.

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¹Schmid (1978, p. 6) defines institutions broadly as “sets of ordered relationships among people that define their rights (opportunities), exposure to the rights of others, privileges, and responsibilities.” This includes culture, social norms, informal rules and formal rules and organizations. At times I will specify one or more of these as being of particular importance.

What struck me immediately were the bald hills of Scotland. The views are spectacular (when it isn't raining). Climb a hill and look out to sea in one direction. Look in the other direction and see rows of hills rippling to the horizon. While beautiful and even mesmerizing, the hills seemed "unnatural" to me because they lacked trees. In discussions I learned that a major concern was that the declining number of sheep grazing the mountains meant that trees might grow and ruin the view for hikers. Clearly my gut reaction that these hills could use some trees was quite at odds with the view (pun intended) of many Scots. Switzerland has a similar issue—the decline in cattle grazing on the mountainsides leads to fewer wildflowers.

In the U.S., generally, we do not consider such a landscape "natural." Rather we feel that the "natural" state of hills is to have trees on them. We are so sure that "bald" is not natural that the naturally bald summits in the southern Appalachians (White, 2006) for many years were considered "not natural." I am aware of one version of concern for maintaining the view in the U.S. When the Blue Ridge Parkway was built in the 1930s, the hills of Virginia had been denuded. Running along the ridge top, the Parkway provides spectacular views that are now being obstructed by the re-growth of trees. When I lived in Virginia in the late 1980s and early 1990s I heard discussion of cutting the trees to restore the view.

I have not delved deeply into why the bald hills of Scotland are considered natural, but from the conversations I had, it seems rooted in the fact that the hills have been bald for so many centuries. Whereas in the U.S., the denuding of hills is more recent—we have written descriptions of the wooded hills and in many cases we actually have photographs of the hills with trees.

2. POLICY IMPLICATIONS

The following are several examples of how the differences in what is considered "natural" or a "problem" affects policy.

2.1. Environmental and Agricultural Policies

In Western Europe,² agriculture is thought of as a natural part of the landscape: consequently, agriculture is often thought of as a solution to environmental problems. In the U.S. agriculture is often seen as a cause of environmental problems rather than as a solution to them.

European and U.S. agriculture have developed via different models because of our histories, our land endowments and institutions. European land has been farmed for centuries while farming is a more recent activity in most of the U.S. It is possible that U.S. agriculture practices cause more environmental problems than European agriculture. Or it may be that agriculture is considered "natural" in Europe and therefore perceived as less of a cause of problems than it is in the U.S.

The multifunctionality policy of the European Union (EU) is an example of thinking of agriculture as part of the solution. Multifunctionality pays farmers for the environmental services provided by their land and agricultural practices. One question is how successful such a policy is; I have not seen evaluations of the policy.

² When I say Europe I will mean Western European countries who are members of the EU. Even then my statements will be overgeneralizations.

Another policy question concerns the distributional implications of the multifunctionality payments when land ownership is concentrated. In Great Britain, land ownership is very concentrated. A whole mountain range was for sale on Isle of Skye while I was there. There is potential for comparative regional studies between EU countries with varying land ownership structures.

The Conservation Reserve Program in the U.S. has some similarities to multifunctionality and may be our specific adaptation given the history and institutions of the U.S. A comparative analysis of the outcomes of the two policies might provide important insights if careful attention is paid to the institutional differences. Continuing to think comparatively, what are the distributional implications of multifunctionality in the U.S. context with a more dispersed land-ownership structure?

There is the potential for regional comparisons within the U.S. In the Western U.S. there are large tracts of public land, although some may have private leases. Does this difference in ownership affect the likely outcomes of implementing some aspects of multifunctionality in the Western U.S. versus other parts of the nation?

2.2. National Parks

The U.S. started its first National Park in the 1870s. European countries have declared national parks or reserves more recently. We visited one in Scotland that has a small city in it.

In comparison with the U.S., Europe has had dense population and private land ownership for centuries. In the U.S., with a larger land mass that is more sparsely settled, settlement in national parks is tightly restricted, usually to park employees. Based on Ken Burns's (2009) series on the U.S. national parks, a key motivation for establishing national parks was to preserve the landscape from degradation due to human use, such as had occurred around Niagara Falls. Given this history, the U.S. government has frequently followed a policy of moving people out of parks to protect the natural environment. Some U.S. parks pay tribute to past human settlement and culture; Big Bend National Park in Texas now enshrines the few crumbling settlers' houses remaining, but we do not tend to enshrine the living culture, as Scotland does.

In an instance closer to me, the Sleeping Bear Dunes National Lakeshore was established by U.S. Congress in 1970, and the National Park Service moved people off the two Manitou Islands in Lake Michigan that are part of the Lakeshore. I sometimes wonder if I will go back to South Manitou Island one day and find enshrined the remains of the friends' cabin that I used to visit.

The creation of a park or a reserve of Scotland may be a way to put money into the region and keep people there—quite the opposite of paying them to leave. Scotland may value keeping people in the ecosystem or may accept people as a natural part of the ecosystem. In comparison with the U.S., Scotland seems to be more accepting of the living cultural heritage as part of a reserve or park.

2.3. Summary of Implications for Policy

The implication I draw from these two examples is that history plays a huge role in policy objectives and the institutions we set up.³ Even when two things sound similar, “national parks” or “reserves,” the policy objectives can be quite different.

Even when objectives are similar, the methods to get there likely differ because of different starting points and different intended paths. That is, there is path dependency. Hence, if our paths occasionally coincide, it need not mean we take the same path.

History and path dependency raise questions for my job. I work for the Cooperative Extension Service where we are asked to identify best practices. Given the importance of institutions and path dependency, I find myself asking if this means there are no best practices. We certainly have to be more careful thinking about best practices and about identifying whether unique institutional aspects have made them successful. MacLeod (2004, p. 70) expresses concern that the emphasis on “policy recipes” may lead local growth coalitions to “slavishly” adopt popular initiatives. I certainly have seen this reaction from communities on everything from tax incentives to adopting Tax Increment Financing (TIFs). MacLeod (2004) suggests that overlaying new initiatives on lagging institutions may have very little positive impact on the local economy. He points out that the current adoption of industrial cluster programs ignores the institutional specificity of the successful clusters. David Barkley (2008) calls for more case studies in order to identify what is unique and what is transferrable among communities, that is more attention to institutions. (Barkley also worked for Cooperative Extension through to his recent retirement.)

When “best-practices” are specified, I agree with MacLeod (2004) that we are searching for the policy recipes, which are somewhat rigid step-by-step approaches that can be applied in multiple contexts. Many local economic development studies, however, seem to show that a web of informal associations and social norms—institutions—facilitate development rather than some set of policy recipes. This suggests that making best practices work involves long-term effort, which is tough to implement and lacks guarantees (John and Batie, 1988; Flora and Flora, 1988).

Barkley (1998) summarizes this line of research and comes to a similar conclusion. John and Batie (1988) tried to identify what made certain rural communities successful and found the common element in successful communities is a local “sparkplug” who is willing to go above and beyond for the community—not a lot of hope for a set of best practices. In their research on successful rule communities, Flora and Flora (1988) find the importance of culture and institutions. A major factor is that successful communities can depersonalize conflict. This allows people to find common ground and to work together on other issues in the future. While certainly a best practice, the ability to depersonalize conflict cannot simply be put into place from one day to the next or implemented by just any city council or county board.

In a paper about the transition of the Eastern European countries to a market economy, colleagues and I found that the attempt to rapidly build market economies in the countries of the former Soviet Union was hampered by the lack of institutions surrounding a market, a legal system that is not conducive to a market system, and distrust of government (Jones, Stallmann, and Infanger, 2000). Hardy and Smith (2004) tackle the issue of harmonizing the institutions of

³ There is also a discussion of whether it is history or geography that matters (Nunn 2009).

the East Central European countries for their entry into the EU. They emphasize path dependency and suggest that many EU institutions will not be transferable to these countries.

3. INSTITUTIONS AND RESEARCH AGENDA

Institutions not only affect our paths to development, but can also have nefarious effects on our research agendas. They can affect our research questions and the data and definitions we use for research.

3.1. Research Questions

Institutions affect the questions we ask. We may not ask certain questions because something seems so ordinary that we do not even question it. I found this out while remodeling my bathrooms last year. I would come home to find that something had been done differently than I expected, and it was only then that I realized that a question had to be asked about the work. There were several cases where I explicitly said I wanted something done in a certain way only to find it had not been, simply because the tradesman had difficulty accepting that there were other ways of doing things.

With the fall of the Soviet Union many U.S. economists assumed that the transition of the Eastern European countries to a market economy would be rapid. But their advice to these countries was based on the assumption that institutions existed that did not. To the U.S. economists, these institutions were so ordinary that they did not question whether or not they existed (Jones, Stallmann, and Infanger, 2000).

Being confronted with a different way of doing things may help us develop a deeper understanding of ourselves and our own institutions. This is one of the reasons for the ICRPS summer institute that I spoke of earlier. As another example, my time as a Peace Corps Volunteer is when I learned what it means to be a U.S. Citizen. It was not until I stepped outside the U.S. that I began to understand this thing called the United States. In addition, the Peace Corps gave me an appreciation for alternative ways of doing things and an ability to look more closely at how they were done in my own country. I like to think that the Peace Corps influenced me as a researcher—making me open to examining how and why certain things are done and to think about alternatives to the way we always do it.

3.2. Data and Definitions

Institutions and policy affect the data collected and the definitions used to collect data.

3.2.1. Data collection

I was teaching an on-line course on local economic analysis when someone from Australia registered. In the U.S., it is possible to get fairly detailed breakdowns of earnings by economic sector, but employment is less available at the local level. On the other hand, this Australian student could get very detailed breakdowns of employment, but not earnings. Naturally, then, doing comparative research in such circumstances is at least very challenging.

3.2.2. Data definitions

The complexity of definitions is often obscured by the fact that we may use the same word, but the details associated with the word differ. Begging the pardon of Gertrude Stein, a rose is not necessarily a rose.

For example, every month it seems there is another educational ranking of countries. One example is the 2008 OECD report on education indicators. In a critique of that OECD report, Adelman (2009, p. 4) notes, “While all countries produce data on their higher education system’s enrollments and degrees awarded, they do so in different ways, and sometimes with different definitions conditioned by language, culture, and tradition.” He goes on to show how these differences lead to flawed comparisons. For example, there is no common definition of a graduating student or of a student beginning their first degree program. Clearly this definitional confusion affects comparisons of graduation rates.

Because of these complexities, Adelman (2009) warns that the analyst must be careful in choosing data from among sets of numbers that might be used for the comparison. He cites the case of the cohort of people with higher-education graduation rates. For most countries included in the report, students who graduated from anywhere in the higher education system of the country are counted. The U.S. data chosen for the report count only those who graduated from the institution in which they first enrolled, even though U.S. students change institutions more than those of other countries. The comparable countrywide data for the U.S. were rejected by the analyst because they are for a previous year. Yet data for seven other countries using this same base year were used in the report (Adelman, 2009, p. 5). As analysts we need to be careful and consistent (is definition or date more important?) in the choice of data.

Adelman (2009, p.38) further points out that by focusing on one set of measures we ignore other alternatives that might lead to the same ends. This is an example of institutions not only affecting the data collected, but also influencing the research questions. The OECD report emphasizes the percentage of college graduates, but Germany relies much more on an apprenticeship system and less on college education and yet remains a successful economy (Estevez-Abe, Iversen, and Soskice, 2001).

An example closer to home is the research on the impacts of economic development incentives on local economic growth. There are many variations of industrial development bonds, tax incentives, and Tax Increment Finance Districts (TIFs), but we tend to focus on the common word and not on the varying definitions. One difference among TIFs is the structure of the board—how many seats are given to the overlaying jurisdictions versus the jurisdiction that wishes to institute the TIF? Another difference is whether the TIF allows any overlaying jurisdictions a choice of participation and if so, is that choice structured as an “opt-out” or an “opt-in”? The choice structure changes the negotiating positions of the jurisdictions. My hypothesis is that jurisdictions that can opt-in have a stronger negotiating position than those that can opt-out, and those not given an option have very limited negotiation power. When the overlaying jurisdictions have a stronger negotiating position there may be more revenue sharing rather than the declaring-district sweeping all of the incremental tax revenues. At a minimum it would be good research practice to include a short description of the structure of the particular incentive we are analyzing. Over time this could build a set of literature that may allow for the analysis of varying structures.

The word “region” itself carries many different connotations. “Region” can be used to refer to a conglomeration of countries, such as the EU region. It also can refer to subnational units, such as the Spanish regions, which each include several provinces. In the U.S. we have some legally defined regions such as the Appalachian Regional Commission, the region of the Tennessee Valley Authority, and the region of the Delta Regional Authority. There are also regions defined for data collection, such as Census regions, micropolitan areas, or BEA regions.

Moreover, local governments can voluntarily form regions, and as researchers we often define regions.

4. RESEARCH FRAMEWORKS

I looked at several sets of literature as I was exploring how to bring institutions into comparative regional research. I was familiar with some of the literature, while other literatures are new to me. I do not claim to do justice to any of them here. I can only hope that readers will enlighten me about some of them.

4.1. U.S. Regional Development Literature

Wood and Valler (2010) argue that the U.S. local and regional development literature is very empirical and pragmatic and lacks conceptualization of the place of local and regional development within the broader political economy. That paper is the editorial at the beginning of a special issue of *Regional Studies* that focuses on the institutions surrounding local and regional economic development in the U.S. They argue that the pragmatic philosophy of the U.S. has led to a focus on results to the detriment of conceptualization. The lack of theory, they argue, has hindered the development of policy and resulted in policy fragmentation.

I alluded to this fragmentation above when I talked about the structures of TIFs. In Missouri we have TIFs, Transportation Development Districts, Neighborhood Improvement Districts, Community Improvement Districts, Historic Preservation Districts, Special Business Districts and many others. There is no overarching coordinating or overseeing mechanism so that districts may be working at odds with each other.

4.2. Conceptual Developments in European Regional Analysis

In the U.S. we sometimes lull ourselves into thinking that even though we have 50 states, there is not much difference among them. Still, wide policy differences exist across states, such as the structure of TIFs noted above. Nonetheless, there likely is more institutional congruence within the U.S. than within Europe because the majority of the U.S. states had to enter their union with a constitution and laws that fit within the framework of the federal constitution.

The countries of Western Europe have been grappling with trying to synchronize institutions since 1957, and even 12 years before that with some treaties (European Union, 1995-2011). Europe had very clear differences in institutions from the start. I think that this has given European researchers a sharper focus for asking questions about institutions and regions. This has resulted in the development of several research frameworks and interesting research coming out of Europe. These schools of thought are interrelated and lines I draw are only for exposition.

4.2.1. *Institutional economic geography*

Institutional economic geography is a relatively new school, with beginnings in the mid 1990s (MacLeod, 2004). The focus is on the evolution of institutions and how institutions influence outcomes. Hanink (2010) argues that standard regional growth models lack consideration of the historical and institutional context of regions. Institutional economic geography draws on evolutionary economics, institutional economics, economic sociology, political economy and other disciplines (Wood and Valler, 2004; MacLeod, 2004). Wood and Valler (2004) argue that past institutional approaches in other disciplines have been too general and have not identified 1) the regional networks and interrelationships that are important for

economic performance, 2) the process through which they evolved, and 3) the changing nature of economic competitiveness for regions.

As distinct from the disciplines on which it draws, "...institutionalism in geography 'owns' space as its key variable, 'regards' areal differentiation and uneven development as its key problems and 'studies' how institutions make a difference to regions, places and spaces" (Wood and Valler, 2004, p. 31). Thus there are three areas for institutional economic geography to contribute to policy: "defining local and regional economies and their dynamics; developing coherent local and regional policies on the basis of institutionalist insights; and evaluating the contribution of institutionalist forms and policies to economic performance (Wood and Valler, 2004, p. 14). There are many variations within this school, most focusing on the organization of production, including the knowledge-based economy, flexible production, post-Fordism, new regionalism, etc. (Wood and Valler, 2004).

In general I find the focus of this literature is on firms interacting with firms or with the government. Often the government seems cast in the role of an object to be manipulated by firms, rather than being an actor. MacLeod (2004, p. 79) also finds "relative neglect of how the state might act as a key orchestrator of the recent urban-regional resurgence" and little attention to "asymmetries of political power."

4.2.2. *Regulation theory*

MacLeod (2004) argues that within institutional geography the most developed school of thought is regulation theory, or the regulation approach, developed in France in the late 1970s. Regulation theory is concerned with the process by which capitalism evolves into new forms and "regulates" itself for continued existence. Regulation theory allows for periods of stability and periods of tension within capitalism during which economic restructuring takes place. Thus the system neither automatically tends toward the equilibrium of neo-classical theory nor toward the inevitable capitalist breakdown of Marxist theory; rather there is an ebb and flow over time and space. Local and regional economic development efforts can be viewed as an attempt to position the region, with its distinctive institutions, within the larger capitalist strategy (Wood and Valler, 2010).

The particular accumulation regime and its mode of regulation can be analyzed on five interconnecting levels: wage relations, forms of competition, monetary and fiscal regimes, the state and governance, and the international regime (McLeod, 2004). Much of the focus is on how firms interact with government to evolve new capitalist variations or institutions. The main interest of regulation theory appears to be the **process** of institutional change by which capitalism maintains itself. There is less concern with the economic or social outcomes of those changes beyond the institutional outcomes.

Regulation theory offers two things that I feel are useful for comparative regional research. First, it acknowledges power in the interactions between firms and governments. Second, while the theory began with a national level focus, it now includes the ability to consider scale and the relations between different scales. Firms and governments can interact on different levels from local to national and international (Prior, 2005; Valler and Wood, 2010). Wood and Valler (2010, p. 138) point out that fragmented regional and local government leads place-bound interests and that "dependence helps to explain the intensely territorialized politics of local and regional development in the United States and the endemic nature of place-based competition." Gertler (2010) further argues that this fragmentation makes regional cooperation more difficult.

4.2.3. *Varieties of capitalism*

A closely related framework is called “varieties of capitalism.” For examples, particular institutions of a country are described, such as Britain’s liberal market economy and Germany’s coordinated market economy, and then hypotheses are posed about the types of policy they will pursue or favor in EU negotiations or which they will implement within the country (Hall and Soskice, 2001). That is, it focuses on variants of capitalism and their impacts on policy.

Schmid (1997) talks about theories of institutional change and theories of institutional impacts. The European developments seem focused on institutional change. The “Varieties of Capitalism” does offer hypotheses about causation and predictions of resulting differences. Also, these frameworks focus on firm to firm and firm to national government relations. While regulation theory does include “scale, I have not yet found much about local government except in the context of the U.S. (Wood and Valler, 2010). This may be because in many European countries government has traditionally been centralized; that is, local governments were only administrative arms of the national government.

4.3. Institutional Economics

The conceptual frameworks recently developed in Europe owe a debt to the tradition of institutional economics in the U.S. (MacLeod, 2004). We can draw on this tradition for the comparative study of regions and economic outcomes. For example, recent Nobel-winner Elinor Ostrom (Schlager and Ostrom, 1992) used the existence of two types of fishing property rights along the Maine coast to show how they have led to different regional outcomes. They used a historical approach to show why those rights evolved along different paths. One difference I find is that traditional institutional economics is less focused on firms and more focused on social norms than are the frameworks I have described above.

As we do comparative regional research we have to be open to the idea that not all institutions are beneficial. Institutions are the result of social and political processes which include uneven power. Barkley (1998) notes that the current structures in rural communities were put in place by someone who would benefit from them. Even what was once a beneficial institution for a purpose can persist beyond its usefulness (MacLeod, 2004).

Our research literature may be biased because we have tendency to look for success stories. In part this may be related to the difficulty of publishing negative research findings, or of trying to identify best practices. In a paper that examines privatizing local government services, Deller (1998) calls for caution in interpreting published studies that compare privatized and non-privatized services. He quotes Hirsch (1995, p. 459), “...empirical cost estimates are derived from a biased sample that includes cost data of firms that have a contract, indeed only because their costs were below in-house production.”

4.4. Economic History

North (1990, p.3) states that the “the differential performance of economies over time is fundamentally influenced by the way institutions evolve....” A recently published survey article by Nunn (2009) reviews research of the past 15 years that explores the long-term effects of history on economic development. The research reviewed has used innovative instrumental variables to account for the impact of history on current levels of development. Though very new, this literature suggests that history is important and that there is path dependency and

multiple equilibria. Is this why the empirical growth research, based on the Solow model with its steady-state equilibrium seems so inconclusive (Partridge, 2005; Nunn, 2009)?

4.5. Institutions and Comparative Regional Research

Institutions are regional—they cover a space, the borders of which may be clear or fuzzy. Their existence influences the development of regions. MacLeod (2004) argues that institutions are both path and space dependent. Even with careful attention to conceptualization, incorporating institutional differences in empirical models can be challenging and time consuming. But if we choose to ignore institutions because of this difficulty, do our results have any meaning?

The work that was done on welfare reform is an example of paying attention to regional institutions and how they affect outcomes (Weber and Duncan, 2000; Valler and Wood, 2010). Another example of the challenge of institutions and comparative research is the current health care debate in the U.S. There is an interesting map showing how the percentage of the population with health insurance varies by state and county, from over 90 percent to less than 75 percent coverage (*The Daily Yonder*, 2009). There is clearly a spatial pattern to the coverage. Various states (regions) have different policies that result in more or less coverage of their populations so that we cannot assume the same impacts across the nation when there is a federal policy. What are the regional implications of changes in federal health policy?

While the 50 states are cited as the laboratories of democracy, doing this type of comparative work is difficult because there is no repository of data concerning state-specific policies. Collecting such data is time consuming and often limits the scope of analysis. For an example of this see the work of Rogers (2004) on local-option sales taxes. Steve Deller and I have been working on analyses of tax and expenditure limitations, such as the Tax Payers' Bill of Rights. Thirty-one states have some version of this, but the restrictiveness of the laws varies widely from state to state. We lucked into previous research that described these differences, but even then it took over six months and the hard work of a very talented graduate student to get the information into a form that can be used in empirical estimations (Amiel, Deller, and Stallmann, 2009).

Even within a state there may be no central repository. The State of Missouri allows the establishment of Transportation Development Districts. The majority of property owners in the district can jointly agree to impose an additional sales tax within the district to be used for transportation improvements that benefit the district. Information on the districts is kept by three agencies, none of which has a complete list of districts. Only in 2009 did the state put any teeth into enforcing the requirement that an annual report be submitted to the state auditor. Yet the auditor's office is not informed when a new district is created so it would not know if it did not receive a report (Associated Press, 2010).

Further, the reliability of national data, such as the Census of Government, depends on whether the state requires local governments to report to the state in a standardized and meaningful way. Generally if the state is using the data to monitor local governments or programs or has a major revenue sharing role, the data are better. A group of us found this out 15 years ago when trying to build similar fiscal impact assessment models (Johnson, Otto, and Deller, 2006).

Institutions are regional—they cover some space, the borders of which may be clear or fuzzy. Their existence influences the development of regions. Thus if we are comparing regions we need to take institutions into account. There are new research frameworks and advances in methods that may help us explore this issue.

5. INSTITUTIONAL CULTURE OF THE SRSA

I want to close by talking about an institution that has had a major impact on me, and I don't want this to sound like pandering because that institution is the Southern Regional Science Association (SRSA). (Of course, I no longer have a reason to pander.) I belong to many professional organizations. Each has its own culture or institutional norms. When I was an assistant professor and a bit uncertain as to whether I could do any useful research, it was the supportive environment of the SRSA that encouraged me to continue working on my research ideas. I remember a meeting in Florida in the late 1980s. I presented a draft of a paper on self-employment. My model was not doing a very good job of predicting between the wage-employed and the self employed. I remember David Barkley (now a fellow of the SRSA) looking me up and spending 10 to 15 minutes talking to me about my model, making some suggestions and all-in-all encouraging me to continue the research. I have had many such experiences at the SRSA since then. I will not try to name you all, but you know who you are and I thank you.

In addition to professional support, SRSA members also gave me social support. At that time it was common to be one of 3 or 4 women at the meetings and usually the only woman attending a session. The members of the association went out of their way to make me feel welcome, rather than an outsider, and that too was important because there were few women role models in the profession.

The support of SRSA that I experienced as a young professional means that I encourage my students to present their first papers at the SRSA to get that same support. I congratulate all of you who have worked make the SRSA a uniquely supportive professional organization. It is important that we continue to carry on that institutional culture.

Thank you to my colleagues, who have been supportive, and thank you to the Southern Regional Science Association for this honor.

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