FORUM FRONTERIZO

The Global Engagement of San Diego/Tijuana

REGIONAL SUCCESS STORIES:

Global Engagement Strategies for the San Diego/Tijuana Region

Briefing Paper

April 2000

Prepared by David A. Shirk
University of California, San Diego

This briefing paper was prepared for San Diego Dialogue's Forum *Fronterizo* series on "The Global Engagement of San Diego/Tijuana," which is underwritten by Sempra Energy, the San Diego Foundation, The James Irvine Foundation and the Public Policy Institute of California.

SAN DIEGO DIALOGUE
UNIVERSITY OF CALIFORNIA, SAN DIEGO
DIVISION OF EXTENDED STUDIES AND PUBLIC PROGRAMS
9500 GILMAN DRIVE • MC 0176-N • LA JOLLA, CA 92093-0176
TEL: 858/534-8638 • FAX: 858/822-1701 • ON THE WEB: www.sddialogue.org

“Global Engagement Strategies for the San Diego/Tijuana Region”

I. Introduction

A new age of global competition has been made possible by simultaneous revolutions in international trade and technology. This “globalization” has brought unprecedented flows of capital, goods and human populations around an increasingly borderless world (Boon-Thong and Bahrin, 1998; Demko and Wood, 1999; Lawrence et al., 1996; Van Whiting, 1996). Access to information and new resources have empowered local policymakers, communities, businesses, organizations and individuals to do more for themselves more quickly and efficiently than ever before (Campbell, 1991; Escobar-Lemmon, 1998; Garman et al., 1996; Luttwak, 1999; Naisbitt, 1994). At the same time, globalization presents new challenges as pre-existing socioeconomic structures give way to the demands of a highly competitive international marketplace and rapid changes in technology.

In the new world order, San Diego and Tijuana have greater potential than ever before to work together. They face important challenges in working to develop the region’s infrastructure, to ensure the competitiveness and skills of its workforce, to develop strong bases and linkages for industrial development, and to ensure the sustainability of growth within the region (Clement and Zepeda, 1993; Gibson and Renteria, 1985; Guo, 1996). This paper provides a general discussion of the issues related to globalization and the growing importance of regions in the new world order. It considers the strategies that other regions have employed for successful integration into the global economy, drawing on the experiences of Miami, Seattle and Silicon Valley. Overall, the purpose of this discussion is to invite consideration of the strategies that best fit the San Diego/Tijuana region in its engagement of the global economy.

II. The New “Regionalism” and the Global Economy

Over the last decade, policymakers, planners and economists have increasingly focused on the importance of “regions” as arenas of decision-making, economic activity and resource development. What constitutes a “region” is often loosely defined and not necessarily confined to particular political or geographic spaces. Indeed, “regionalism” is sometimes understood either as the formation of multinational trading blocs (Baldwin et al., 1999) or as the coordination of policy across subnational local communities for more efficient planning and development (Bergman et al., 1991; Hansen, 1990; Preteceille, 1990). Over the last two decades, economists and policy analysts have increasingly studied regions at the subnational level as a means of developing more tailored, more efficient and even more equitable strategies for development.

There are many advantages to working at a regional level to address the economic realities of globalization. Because they are largely conceptual and/or geographic in scope, regions are highly flexible and functional arenas of activity. Regions are not limited by man-made borders, but by imagination and natural environment. Actors within a region can define their own relationships to each other. They can coordinate strategies in ways that maximize the strengths of their geographic positions, physical characteristics, local economies and human capital.

The increased focus on subnational arenas of activity also reveals a relative decline in the importance of "nation-states" as the primary agents of planning and policy development (Holton, 1998; Ohmae, 1995). This decline — balanced by the rise of local- and regional-level activity — is primarily attributable to two factors that have fundamentally transformed our world over the last two decades:

- First, "**globalization"** — the tendency toward global economic integration — has increased the opportunities for subnational territories and actors to compete economically with less intervention by their attendant nation-states and fewer restrictions on trade. Indeed, globalization has both facilitated and encouraged the decentralization of administrative responsibility for policy implementation to state- and local-level decision-makers (Holton, 1998).

- Second, the rapid development of new **transportation and communications technologies,** which have increased the accessibility of information, goods, capital and human resource, has contributed to the advent of what many have referred to as the second (or third) industrial revolution. These changes have enabled policymakers, businesses, organizations and individuals to literally follow the mantra "Think globally, act locally."

Many scholars have reacted to these shifts by focusing primarily on their impact on mega-metropoli, pointing out the potential for the development of "world" or "global" cities (Sassen, 1991, 1994). Taken more broadly, these trends also have important implications for the potential of development in regions whose more flexible and functional definition allows for the potential to exceed "city limits."

The techno-global revolution spells important challenges for any region's civic leaders, policymakers and residents. On the one hand, a region's stakeholders must work toward *a broad social consensus* on the goals to be achieved and the distribution of costs and benefits in the region's attempt to engage the global economy. On the other hand, civic leaders must recognize the forces at work in today's information-based global economy and the importance of developing the region's *strategies for global engagement* accordingly.

Developing a Regional Consciousness and Consensus*:* Conceptualizing issues in terms of their larger regional significance and understanding the importance of intra-regional cooperation are prerequisites for further action. Policymakers, planners and civic leaders not only must "think regionally," but must also work toward developing a civic consciousness among all the region's stakeholders. Generating political consensus helps unify a region to invest social capital appropriately and equitably, and enables individuals to understand how larger issues affecting the region are practically relevant to their own lives, jobs and well-being.

In turn, this encourages both individuals and local communities to incorporate the larger needs of the region as their own. Community participation thus becomes a "critical component" in promoting both prosperity and sustainable development (Abbott, 1996). This is critical because maintaining the region's competitiveness will almost certainly have negative implications for individuals employed in non-competitive industries.[1] In the end, helping affected individuals into more competitive industries can be less costly than protecting existing jobs against global competition.

San Diego and Tijuana are part of a region that shares many opportunities and challenges. Recognition of the significant differences and asymmetries that exist across both sides of the border is essential to resolving problems that often defy formal institutions and political boundaries (e.g., infrastructure development, flows of people and capital, etc.). Thus, for San Diego and Tijuana, developing a regional consciousness first means understanding who and what constitutes the greater San Diego/Tijuana region and how that region relates to other areas. While most of Tijuana's 1.2 million residents (*tijuanenses*) are acutely aware of their integration with San Diego, many San Diegans — particularly those in northern San Diego County — may not recognize the linkages between the two communities. Moreover, the San Diego/Tijuana region must consider to what extent it can be conceptually expanded to include — or develop linkages to — surrounding communities and regions, such as Los Angeles, Mexicali and Ensenada.

Developing Regional Strategies for Global Engagement*:* Engaging the global economy also requires that a region's consensus outlines strategies for *how* to maintain or develop its competitive advantages, and how to manage the economic and social costs of changes. Economists draw on different but complementary approaches that can be useful strategies for engaging the global economy from a regional perspective: neo-classical approaches, growth pole approaches and innovation approaches.

Trade Flows: Neo-classical theory is focused on market mechanisms and comparative advantages in flows of capital, labor, energy and raw materials. Such approaches stress that with free flows of capital and labor — now a reality, thanks to globalization — costs are derived primarily from prices for raw materials and transportation. Hence, such approaches heavily emphasize the "natural" features that can improve a region's competitiveness through specialization and by reducing costs through investments in transportation infrastructure. (Goldstein and Luger, 1993).

Industry Clusters: Industry cluster or "growth pole" approaches emphasize the ability of regions that experience success to foster continued in-migration and investment because of pre-existing forms of production, the nature and consequence of organization and the interaction of actors within that region. Such approaches emphasize the importance of strategically locating industrial groupings and providing linkages to related industries and services that benefit from physical proximity and agglomeration (OECD, 1993: 42; Fritsch and Rolf Lukas, 1999).

Learning and Innovation: "Learning regions" and other innovation-based approaches to regional economic development stress the ways that regions can succeed through the innovation and intelligence of its workforce. According to this approach, the presence of a highly educated workforce, investment in prominent educational and research institutions, high-technology industrial clusters and high levels of interaction between private- and public-sector actors all contribute to synergies and social interactions that enhance a region's economic competitiveness (Kanter, 1995; Currie, 1998).

The principles outlined above are particularly useful in light of the way that globalization has fundamentally transformed the nature of economic competition. First, globalization has dramatically reduced restrictions on capital and labor flows in ways that clearly place a premium on neo-classical notions of comparative advantage in natural resources, product specialization and transportation. Hence, regions must seriously assess their competitiveness and capacity for **specialization**. Doing so may reveal a need to divest or restructure non-competitive industries.

Furthermore, regions must ensure that their **transportation infrastructure** enables their competitive industries to remain efficient and competitive in both product delivery and the movement of human capital. In the high-tech global economy, just-in-time logistics increasingly require producers of small, lightweight, compact products to send and receive smaller quantities more frequently and over longer distances. "Speed to market" has become pivotal; no longer a luxury, international air cargo shipments have grown tremendously. As a result, the development of transportation infrastructure (and intermodal linkages) to accommodate larger and increasing numbers of air cargo carriers has become an essential component of regional competitiveness (Kasarda, 1996). Regions like San Diego/Tijuana, which have grown rapidly in recent years, must often play "catch-up" in the development of such infrastructure in order to remain competitive.

At the same time, transportation and trade infrastructure has an important effect on tourism and labor markets. Globalization has facilitated the movement and migration of large numbers of people through (and into) the regions best able to promote the development of high-value-added forms of trade infrastructure, particularly transportation networks such as ports, airports and railroads. With ongoing increases in business-related and recreational travel — and almost half of foreseeable U.S. population growth likely to result from immigration — regions like San Diego/Tijuana will be able to harness their potential as "global gateways." The improvement of infrastructure to enhance trade flows is therefore an important strategy for regional development and integration into the new world economy.

Second, with regard to promoting **industrial clusters**, highly mobile capital and labor have altered traditional business incentives. Also, standard mechanisms for attracting extra-regional capital — such as subsidies and investments in physical infrastructure for industries — have proved costly for some regions. Many traditional incentive programs to attract business have often required *continued* subsidies or resulted in net losses for the region once industries pull out. New globally oriented strategies rely more on regional resources and systems of organization than on subsidies provided by the government. For example, regions can strive to generate a "critical mass" by encouraging the development of industry clusters that attract and encourage the growth of new companies through the construction of modern industrial parks, facilitating start-ups through consulting and technical assistance, improving linkages between academic research and applied technologies, and fostering linkages between potential suppliers and producers in a region (Friedmann, 1991: 173; OECD, 1997: 42).

Finally, the **skills and knowledge** of a region's workforce are a critical determinant in charting a region's course and in promoting and maintaining its growth. OECD Deputy Secretary-General J.R. Shelton notes the importance of people and education: "In the United States, progress in education has accounted for an estimated one-fourth of all economic growth over the past 50 years" (OECD, 1997: 16). Yet the workforce of the modern information economy faces new realities and requires unique skills to remain competitive and productive. Today's workforce must adjust to:

1. greater lateral *mobility of careers* (and the decreased importance of long-term job security);
2. increased opportunities for part-time and *flexible work schedules* (and reduced benefits);
3. greater individual and collective *responsibility for decision-making* by workers (and the need to contribute to an increased range of tasks);
4. continuous development of *new technologies* that have changed the workforce environment (and the need for workers to update their skills and work patterns accordingly).

These shifting workforce conditions mean that "education" within a region must be understood more broadly to apply not only to the range of K-12, but to the *lifelong process* of skill accumulation, on-the-job training and other forms of workforce development (Friedmann, 1991: 173-4). K-12 education will form the foundation of such efforts and remains perhaps the single most important factor in leveling the playing field and improving equity for all individuals within a region. Yet regions must also concentrate on promoting institutions of higher learning, the scientific and technical capabilities of its workforce, the local availability of venture capital and access to technical or other assistance for start-up companies.

Moreover, consistent with developing a regional consciousness, educational initiatives should be geared toward developing workers' civic understanding of the larger challenges and strategies, and the ways in which a variety of subjects (e.g., science, politics, finance, international markets and cultures) relate practically to their own lives and activities. In short, more so than in the past, regions are likely to be more flexible and better able to assess regional needs, provide the resources and structures necessary for meeting objectives, encourage both public and private cooperation, and evaluate the effectiveness of programs in the region (OECD, 1997: 13). In the end, a region's commitment to education as a lifelong learning process can enable greater coordination and consensus of its larger agenda for development and prosperity.

III. Success Stories and Object Lessons in Global Engagement

This section examines the strategies employed by different regions that have demonstrated their success and competitiveness in the new global economy. We are especially interested in exploring the ways in which regions can become more competitive and the challenges that they face. Of particular relevance are related issues of trade infrastructure development, industrial specialization and development in manufacturing and services, natural resource preservation and sustainability, community development to ensure quality of living, equity and sustainability, and alternatives for regional planning, governance and financing. Many of these issues are related. For example, providing improved public transportation and affordable housing in all parts of the region helps to reduce traffic congestion and its environmental impacts. Likewise, education and employment training increase the prospects for equitable economic development within the region by generating a skilled and competitive workforce. Hence, regional planning involves the careful coordination of multiple strategies for benefits that must be realized over the long term.

Given that regions have different capabilities and natural advantages, it is imperative that decision-makers and affected communities evaluate their available resources, needs and goals and design tailored strategies for global engagement. Below we consider three highly competitive regions that have successfully employed different strategies for the engagement of the global economy: Miami, Seattle and Silicon Valley. Each provides object lessons for San Diego and Tijuana to develop their own tailored strategies for regional coordination and development.

MIAMI: MULTI-CULTURAL GATEWAY TO THE AMERICAS

"Miami is a profoundly complex city; despite its striking uniqueness, it may well presage the fate of other American cities. If Miami comes to terms with the problems before it, it may serve as a model; if not, it will surely self-destruct and be held up as a warning.... Miami's plight is the country's. And so, in the end, this is not just the dream of a new city, but of a new America" ("Welcome...," *Metropolis*, 1995).

Though it has recently captured the nation's imagination as the capital of the most recent Latin craze in U.S. popular culture, there is much more to Miami than its rich multicultural and multi-ethnic mix. Over the last few decades, Miami has been transformed from an aging tourist- and citrus-based town into a thriving, truly "global" metropolis and major hub for transportation and international commerce. In the process, Miami has experienced serious cultural conflicts and a host of urban problems — including riots, narco-trafficking and corruption — and thus holds important lessons for other would-be global multicultural regions like San Diego and Tijuana.

General Characteristics of Miami: Greater Miami (also referred to as Southern Florida) comprises a 2,000-square-mile area housing 30 municipal government units; it is fully encompassed within the County of Miami-Dade. Home to over 2 million people by 1990 (more than double its population in 1960), the area is projected to have a population of 2.5 million by 2005 and 3 million by 2015.[2] The City of Miami constitutes the largest of the county's local governments; its population in 1990 was 358,548. Latino population growth, primarily through immigration, has been "the main demographic story in Miami": though in 1960 less than 5 percent of the county's population was Latino, today the county's population is majority Latino and predominantly non-white: 49.2 percent Latino, 30.2 percent non-Latino white and 20.5 percent African American.[3] With its dramatic transformation into a major "Gateway of the Americas" over the course of the 1980s and '90s, Miami has become a multicultural global city — the most foreign of any major metropolitan area in the United States (Deverell, 1999).

Trade Infrastructure, Multiculturalism, and the Miami Story: Like such global cities as Los Angeles and New York, Miami has become a major port of entry and the home to diverse populations that further fuel its development and linkages to the world economy[4] (Jones-Correa, 2000). As globalization has increased human, financial and trade flows across political borders, Miami has capitalized on its multicultural human capital and trade infrastructure to establish a definitive advantage as a node in the world economy.

> "[Miami] is marketed and promoted as a natural winner in the era of global economic competition. To the north, the city is promoted as a subtropical and exotic place with great access to Latin American markets: perfect for the location of companies with sales to and marketing oriented toward Latin America, as well as for real estate investments (a second home on what is called the

> American Riviera). To the south, the city is sold as a haven of stability and opportunity, with one of the city's greatest assets being the combination of Latin culture with U.S. location" ("Globalization to a Latin Beat...," *Annals*, 1997).

Miami's most important trade infrastructure is found in its intermodal transportation facilities, which have transformed the city into a major trade hub and port of entry over the last three decades. The key to this network is Miami International Airport (MIA) — a multibillion-dollar operation covering more than five square miles — which has also been referred to as "Miami in Action." Though MIA offered virtually no transatlantic flights until the 1980s, the airport now has more international flights than any other airport in the world, and Miami has become a "city built on air" (Allman, 1989: 6, 11, 31). The city's airport facilities now rank first in international cargo transport in the United States (and sixth in the world) and — with 29 million passengers a year — second in the nation in passenger traffic[5] (Jones-Correa, 2000). As the primary nexus for European, North American and Latin American travelers, MIA has earned the city the nickname "Gateway to the Americas."

When the city's man-made seaport first opened in 1964, it handled almost no foreign trade. By the 1980s, the artificial harbor had transformed the city into the world's biggest cruise-ship port; in the 1990s, Miami also saw an increase of 62 percent in cargo traffic — from 3.2 million to 5.2 million tons between 1989 and 1993. The importance of Miami as a transportation hub is underscored by its ability to attract federal funds for further development. Last year, with the passage of the Transportation Infrastructure Finance and Innovation Act, Miami's Intermodal Center became one of five major transportation projects to be awarded approximately $1.4 billion each in credit assistance for expansion and improvements ("Transportation," *ENR*, 1999).

Miami's success in developing its intermodal transportation seems partly related to the concentration of administrative authority in its consolidated metropolitan governance structures. The County of Miami-Dade adopted its current form of *"two-tier" county-wide metropolitan government* in July 1957. Currently — amidst hot debate — the county government delivers municipal services to approximately 1 million residents in largely suburban unincorporated areas.[6] The *upper tier* of county government is responsible for area-wide functions (e.g., courts, correctional facilities, port and airport, water and sewage, social welfare and transportation), while municipalities are responsible for managing the *lower tier* of more traditional local services (e.g., law enforcement, zoning, sanitation, public works and local street maintenance). However, shifting demographic patterns have left the county responsible for a disproportionate amount of municipal-type services and may bring reform.[7]

Another key asset in Miami's trade infrastructure is its Free Trade Zone, the largest privately owned and operated zone in the United States. The Free Trade Zone functions as a duty-free hub, enabling clients to move goods into and out of the city's port without duties, provided the place of origin and the destination are both foreign. Over 70 percent of the zone's $11 billion in trade is with Latin America. The zone has increasingly developed as a magnet for goods to be stored or assembled in Miami before being transported elsewhere (Jones-Correa, 2000).

Miami's economy has also flourished thanks to the development of financial institutions to facilitate trade. While before 1977 there had been no foreign banks in Miami, today the city ranks third — after New York and Los Angeles — as a center for foreign banking establishments in the United States and is home to 352 multinational companies. By the end of the 1980s, finance, banking and international trade accounted for two-thirds of jobs and income in Miami; today a third of all U.S. trade with Latin America flows through Miami, as well as more than half of all U.S. trade with the Caribbean and Central America (Allman, 1989: 6, 31; "Globalization to a Latin Beat...," *Annals*, 1997).

The development of the city's trade infrastructure has not eclipsed but has rather enhanced Miami's character as a tourist mecca, which clearly benefits from the city's capacity as a major transportation hub. With an annual average temperature of 75 degrees, year-round sunshine and ocean breezes, Miami is a popular destination for tourists and, increasingly, for conventions and conferences. Indeed, while foreign trade, medicine, education and other sectors of the economy are high-growth sectors, nearly 10 million tourists spent over $11 billion in Greater Miami in 1997.

According to William Talbert III, president and chief executive officer of the Greater Miami Convention and Visitors Bureau, Miami provides an ideal location for tourism and conventions "because it combines a highly cosmopolitan, dynamic city with a sultry tropical paradise." On any given day, tourists and conventioneers can ride an airboat, have a cigar hand-rolled, attend the Miami City Ballet and New World Symphony, tour the Miami Seaquarium and Parrot Jungle, visit the Miccossukee Indian Village, walk through a historic Art Deco district, dive the artificial reefs, and "power shop." Moreover, the city boasts world-class sites and services, with 10,000 committable rooms, 48,000 hotel and motel units, three major convention centers and planning assistance from Greater Miami's Convention and Visitors Bureau ("Miami," Association Management, 1999; Tilson, 1997).

Finally, Kanter attributes much of Miami's success as a "world-class" trading city to the "cultural connections" of its binational communities (Kanter, 1995). Indeed, in 1990, 60 percent of the city's population was foreign-born, the highest percentage in any city with over 200,000 residents. Cuban Americans have played a particularly prominent role in the city's transformation. By the 1990s, nearly two-thirds of the city's predominantly foreign-born population consisted of Cuban Americans, while the remainder came mostly from other parts of the Caribbean, including Haiti and the Dominican Republic (Jones-Correa, 2000). Today, 73 percent of city residents speak a language other than English (Thai, 1997). In particular, the infusion of large numbers of bilingual Latinos with useful skills and education has made Miami an attractive location for companies that do business in Latin America and has contributed to the rapid internationalization of Miami's economy (Averch, 1998; "Globalization to a Latin Beat...," *Annals*, 1997; Rosenberg, 1998; Russell, 1997).

Challenges for Miami: Latinos, particularly Cuban Americans, have been relatively successful in establishing themselves in Miami. In 1987, Latino firms generated $3.8 billion in revenues in Miami, topping the amount generated by Los Angeles' much larger Latino community (Jones-Correa, 2000). Yet the growing power of Latinos has only partially challenged Miami's white establishment, since Anglos continue to be the major force in the city's political and economic hierarchies, still controlling the largest companies and owning and operating the major newspapers and English-language radio and television stations. In fact, in 1997, only five municipalities in Dade County had elected a majority of Latinos, while only one of the six largest municipalities (the City of Hialeah) had a majority of Latino elected officials.[8] Also, of the 25 highest paid executives in Miami, only two were Latino; only nine were among the top executives of the 50 largest employers in South Florida ("Globalization to a Latin Beat...," *Annals*, 1997).

Still, the perception that Latinos have "taken over," have unfair advantages or are glutting the labor market has been the source of high levels of animosity from other groups. As a result, there have been complex interactions between the "triad" of Latino immigrants, non-Latino whites and African Americans that previously settled in Miami. First, for some non-Latino whites who settled in Miami, the encroachment of non-white immigrants has contributed to "white flight" out of the region, largely among retired "snowbirds," laborers and production workers (Grenier and Castro, 1999). Meanwhile, Miami's economy has wide income disparities and the lowest household income of all U.S. cities with a population greater than 100,000. Miami's African Americans have been notably left out of the city's growth, which has occurred mostly in international sectors of the urban economy, such as the fast-growing producer services sector.[9]

Thus, as Latinos and other immigrants have joined previously settled groups in the struggle for jobs and political power, there have been moments of serious conflict. The Miami riot of 1980 — like the 1992 Los Angeles riots — followed an act of police brutality against a suspect, painfully reflected unresolved economic inequalities, and tragically illustrated the inability of civil and civic authorities to maintain order in a global city torn apart by its differences (Porter and Dunn, 1984; Portes and Stepick, 1993; USCCR, 1997). However, unlike Los Angeles, Miami experienced a series of four such disturbances throughout the decade. City elites responded with an "Action Plan" — a series of economic and social programs designed to assist African American neighborhoods — but these either have had only limited success or have primarily benefited African American professionals and business people, rather than the poorest sectors that had been mobilized by the riots. The prospects for greater cooperation among African Americans and Latinos in Miami are somewhat limited, since these communities are divided by spatial segregation, class, ideology, language and religion.

Despite a "generally adversarial relationship," there are areas of common interest among these communities. For example, a 1992 coalition of African Americans and Latinos successfully sued Miami-Dade to overturn the at-large voting system that had limited their representation to a single member each on the county's nine-member commission. The commission was enlarged to 13 districts, and in the next election the Miami-Dade County Commission was composed of four African Americans (including the chair), six Latinos and three Anglos. This commission went on to successfully repeal the county's controversial "English Only" ordinance. Other efforts to encourage cooperation include the Community Relations Board of Dade County government, a tri-ethnic committee that conducts activities designed to develop multicultural agendas (Grenier and Castro, 1999). Also, the city has had somewhat mixed success with the use of enterprise zones to promote economic growth in less-developed neighborhoods (Wong, 1998). Moreover, a shift in the attitudes of major media outlets may promote community by emphasizing the links between Miami's growth goals and the improved quality of life for its multicultural residents.

For example, while at first Miami's influx of Latinos was sharply criticized by the city's main daily publication, The Miami Herald, today the paper has embraced the city's transformation, acts as a strong advocate of multiculturalism and has even established *El Nuevo Herald*, a thriving independent Spanish edition.[10] A June 1996 article in the Herald, entitled "Vanishing Spanish," complained that only a small percentage of graduating high school students in metropolitan Miami were fully fluent in Spanish and that the language quality of most second-generation Latino immigrants was "an imperfect sort of 'home Spanish.'" The article warned that losing its bilingual community would decrease Miami's economic competitiveness. In Miami, "bilingualism pays, monolingualism does not." Having news outlets that cater to the region's multicultural growth strategy benefits the region. It brings city residents on board and encourages attention to the interests of minority groups ("Globalization to a Latin Beat...," *Annals*, 1997; Portes and Stepick, 1993).

SEATTLE: INDUSTRY CLUSTERS AND SUCCESSFUL REGIONAL PLANNING

> "Every community has a unique blend of strategic assets to build on in achieving a world-class local economy.... The key is to look at what you've got on a regionwide basis and to gauge how these assets, both collectively and individually, can play a part in your economy's success. Then it's a matter of 'connecting the dots' and investing in those assets that will get you where you want to be" (William B. Stafford, President, Trade Development Alliance of Greater Seattle, *Guiding Principles for Leadership*).

In November 1999, highly publicized demonstrations at the meeting of the World Trade Organization (WTO) made Seattle the epicenter of tensions over globalization. The WTO protests came from labor interests, environmentalists and local communities that perceived economic restructuring, globalized trade and rapid growth as a threat. Yet despite recent events, Seattle provides a useful example of successful "growth pole" development around existing industries for sustainable economic growth. Seattle has also succeeded as a model for community-based and environmentally sensitive engagement of the global economy.

General Characteristics of Seattle: The greater Seattle region stretches approximately 100 miles north to south from Arlington to Olympia and 50 miles east to west from North Bend to Bremerton. Seattle's rugged topography of hills and waterways — between the shores of Puget Sound and Lake Washington — complicates travel and transportation within the region, but contributes to its natural beauty. The City of Seattle is located in King County, though the greater metropolitan area extends into both Snohomish and Pierce counties to the north and south, respectively (Schwirtz, 1999). South of the city lies Renton, home to the Boeing Corporation, which employs nearly 90,000 people in the region. To the east lies Redmond, home to the Microsoft campus. Scattered throughout the region are a burgeoning biotech industry and successful retailers — Starbucks, Amazon.com, REI and Nordstrom — that contribute another important element to the regional economy (Enlow, 1999). The region is home to more than 3.3 million people; the Consolidated Metropolitan Statistical Area (CMSA) of Seattle-Tacoma-Bremerton is expected to reach a population of 4 million by 2020 (Kelbaugh, 1997: 15-16).

Encouraging Industrial Clusters and "Smart Growth" in Seattle: Seattle is the archetype of the new economy. It is home to industries that exemplify world trade (Boeing), information technology (Microsoft, Amazon.com) and the growing service sector (Starbucks, REI, Nordstrom) (Schneider, 1999). The development of these industries within the region has facilitated growth in related industries, while community-based planning has helped Seattle to cope with a variety of issues linked to this growth.

In many ways, Seattle's prosperity in the new world economy is a result of its strategic location as an industrial, commercial and trading center in the Pacific Northwest. Today the city's downtown Pioneer Square and bustling Pike Place Market are a testament to Seattle's historical importance as a center of commerce in the two industries that originally defined the Northwest wood products and fisheries. Clearly, Seattle's strategic position on the Pacific Rim and its impressive development of related transportation infrastructure (particularly its airport and historically important port facilities) have contributed greatly to its more recent economic development. Indeed, Asia has become Washington state's largest trading partner, with Japan, China and South Korea among the top five. Yet Seattle's rise as a global trading hub has also brought significant business with Canada and Europe (the city is home to the offices of 11 European chambers of commerce) (Holmes, 1999).

Seattle's prosperity is also attributable to strategic efforts to encourage business development in the region. For example, as early as the 1960s, the city of Seattle and the state of Washington had proposed sponsorship of the first U.S. World's Fair in the post-war era. The Century 21 Exposition held in Seattle in 1962 was originally proposed as "an economic stimulant and a key step in Seattle's rise to metropolitan big-league status"[11] (Findlay, 1992). The fair combined the interests of the world and the nation (in themes such as science and space) with the needs of the region and the locality, particularly Seattle's downtown area. Now a city of airplanes and high technology, Seattle illustrates the possibilities of building on existing industrial clusters for continued success in the new world economy.

The location of two major industrial growth poles in Seattle — the aerospace industry developed during and after World War II and, more recently, high-tech companies — has contributed to the clustering of related businesses and services in the region. Indeed, many of the region's start-ups are now spun directly from its two biggest employers, Boeing and Microsoft. In part, such start-ups are made possible through the financing and guidance of industry entrepreneurs such as Microsoft co-founder Paul Allen, who has funded many small outfits in the area. Many local and international companies are direct suppliers to Boeing and Microsoft, while others are involved in biotechnology, nuclear-waste disposal, retailing and other services (Holmes, 1999). For potential employees in these industries, the region has achieved "critical mass as a technology center, attracting top talent, support companies and multiple opportunities" ("The 'Silicon Forest,'" *Electrical Engineering Times*, 1996).

Still, industry clusters are not invulnerable. The Seattle economy's traditional dependence on Boeing has led to swings in the region's economy due to changes in the aerospace industry and U.S. military activity in the post-war era. In the late 1970s, the city's economy was still struggling to recover from the Boeing bust that cost more than 60,000 jobs between 1967 and

1971. More recently, in 1999, the industry giant announced plans to cut more than 30,000 jobs (nearly a third of its workers at the Renton plant). However, high-tech employment in Seattle has tripled in the last decade, as Microsoft has rapidly grown to become the state's second-largest employer (after Boeing) and 2,500 smaller software companies have taken root. The number of software companies in the region is expected to double over the next three years (Enlow, 1999). Thus, the region continues to draw technical, computer and scientific experts who now are just as likely to work for Microsoft or a biotechnology firm as for Boeing.

Challenges for the Seattle Region: It is somewhat ironic that Seattle became the victim of WTO protests. The region has certainly experienced many of the growing pains associated with globalization. Yet Seattle's planners have also worked more successfully than many others toward a model of sustainable, community-sensitive integration into the global economy.

A veritable boom town, Seattle has seen more than $5 billion spent on construction over the last three years, with at least 18 low- and mid-rise office buildings slated to be built through 2001. The face of the city has changed rapidly with its recent growth; a sweeping redevelopment of its downtown has brought department stores and retail shops to its lamppost district and a revitalization of the waterfront marketplace of the historic harbor area. As Paul Allen's Experience Music Project joins the familiar World's Fair-era Space Needle on the city's skyline, Seattle's recent success as a high-tech world trading center is obvious (Schwirtz, 1999).

This growth has created important challenges for the city and has brought significant resistance from the region's local communities. Seattle is home to a citizenry that has grown increasingly vigilant of growth and cognizant of its negative externalities. This has translated into a very active role on the part of the local community in working with government and the private sector to ensure "smart" and equitable growth for the region. "Indeed, for the past 25 years it has been Seattle's neighborhoods — not corporations or institutions — that have increasingly determined the decisions of city government" (Enlow, 1999).

For example, activists like City Council member and architect Peter Steinbrueck have championed the causes of affordable housing, neighborhood planning and design review. Steinbrueck grew up in Seattle "in a 1904 three-story frame house in the Denny Blaine neighborhood, a house that, he notes ruefully, is now priced out of reach for him and other middle-income residents." Yet community participation has been an important factor in raising attention to such problems and in setting priorities for dealing with Seattle's growth (Enlow, 1999).

This is important, since local government planning departments and agencies have been continually reshuffled over the last three decades. Seattle was long governed by a weak mayor/strong council system of government, but that was reorganized in the 1970s to strengthen the mayor's executive authority. City planning arrangements have since typically reflected this shift, as city's planning agencies have been reorganized by each new mayor.

In the 1970s, the Department of Community Development was responsible for the city's comprehensive planning issues, including preservation, economic development, neighborhood and downtown projects and distribution of block grants. In 1990, Mayor Norm Rice created the Planning Department to fulfill the state-mandated Growth Management Act; in 1994, comprehensive planning was transferred to a new Office of Management and Planning. Today, comprehensive planning and regional transit planning fall under the jurisdiction of the Strategic Planning Office, while housing plans are handled by the newly created Office of Housing.

Despite the lack of organizational continuity across administrations, active input from the community helps steer the course. In his 1997 mayoral campaign, Paul Schell recognized the concerns of city residents about growth, promising to ensure that Seattle would “grow with grace.” Since taking office, Schell has supported neighborhood self-determination and has continued the city’s commitment to affordable housing (Enlow, 1999).

The state’s Growth Management Act was a decisive factor in promoting comprehensive citywide planning and community participation. The act has been supported by an activist group called 1000 Friends of Washington. Steinbrueck notes that the act reflected citizens’ concerns about problems of growth in the absence of interjurisdictional planning: “People began to see that this was all interconnected — transportation, housing, environmental preservation and zoning.” The city reacted positively to the mandate, even providing funds for neighborhood groups to hire their own professional planners.[12] Neighborhood planning has taken on a “village” atmosphere that helps encourage civic-mindedness and participation: Announcements are translated into four languages, child care services are offered for participants, food and drink are provided and mailings are sent to all community stakeholders (Enlow, 1999).

Affordable housing provides a key example of Seattle’s success in promoting community participation in regional planning. In 1991, rising housing costs and a state mandate (the Growth Management Act) that required cities to plan for affordable housing led a citizens’ task force to urge greater regional cooperation on housing issues. Rather than promoting new city agencies to develop affordable housing, the group recommended a private-public partnership that would combine its resources and expertise with the input of community-based organizations. The result was ARCH: A Regional Coalition for Housing (Andrews, 1999).

Though first initiated only in three cities (including Seattle), ARCH has since grown to include eight cities in King County. It balances local autonomy and efficient use of shared resources with eight governing boards, an advisory board and an executive board of mayors and managers. Over its seven years of operation, ARCH has created or preserved more than 1,500 housing units and has helped local housing organizations to boost their number and capacity. To increase the stock of affordable housing, ARCH employs a trust fund that coordinates the use of resources made available by the cities, as well as the allocation of block grants for community development. ARCH also provides incentives for high-density land use and accessory dwellings (such as alley or “granny” apartments) and helps members develop surplus public land (former city, county or federal properties). For more information, call housing planner Max Bigby at 425-861-3677 (Andrews, 1999).

Finally, thanks to strong community input, Seattle has also planned carefully to deal with the environmental challenges of rapid growth. Seattle and its neighboring metropoli — Portland and

Vancouver — are geographically separated and ecologically linked by a common bioclimate of pristine water and mountains. Thus, among many planners and local designers in the Northwest, there is “a recognition of the importance of the natural environment and a concern that it be respected and conserved, both at the level of individual project design and in relation to regional resources” (Ochsner, 1994).

SILICON VALLEY: DEVELOPING CRITICAL MASS IN HUMAN CAPITAL

> “In an industry where time-to-market distinguishes the Wall Street darlings from the Web’s also-rans, it is not accidental that Internet companies have gravitated to the geographic pockets, or regional clusters, which share certain characteristics. These include a strong, diverse and tech-savvy talent pool; ‘pillar’ companies in the high-tech, media and/or entertainment industries; risk-tolerant venture capital and angel investors; specialized support services such as tech-savvy law and accounting firms, headhunters and ‘CFOs to go’; universities which supply talent and networking along with research programs that foster innovation; and an entrepreneurial culture which nourishes innovative businesses” (*Electronic News*, 1999).

Silicon Valley provides an excellent example of how regions can succeed through the skills, innovation and entrepreneurship of its human capital. Silicon Valley is characterized by the presence of a highly educated workforce, investment in prominent educational and research institutions, high-technology industrial clusters and high levels of interaction between private- and public-sector actors. Its success supports the notion that “learning regions” contribute to synergies and social interactions, which in turn contribute to competitiveness in the new global economy.

General Characteristics of Silicon Valley: Silicon Valley lies between southern San Francisco and San Jose, in the area surrounding Route 101 and mostly within California’s Santa Clara County. Since the early 1980s, this area has been an icon of successful regional planning for industry growth and employment in the new global economy (Wilson, 1996). The Silicon Valley’s rise began roughly 20 years prior, as its citrus-based agricultural industry gradually gave way to the high-tech electronics and telecommunications industries that have directly contributed to the new information age.

Human Capital and the Silicon Valley Story: In the early 1960s, business ventures by graduates of Stanford University’s electrical engineering department provided an important source of innovation and entrepreneurship in high-technology electronics. The department’s professors and dean strongly encouraged graduates to apply their technical skills in business. Meanwhile, the university itself — under the tutelage of a president enthusiastic about the department — encouraged graduates to start their own businesses by leasing land in Menlo Park to facilitate start-ups. Companies like Apple, Hewlett-Packard, Intel, National Semiconductor and thousands of others were born out of the “high-tech critical mass” generated by this environment (Miller and Coté, 1987; Cassell, 1999).

However, unlike more diverse clusters like Boston’s Route 128 and Los Angeles, Silicon Valley was particularly vulnerable because of its heavy reliance on the semiconductor industry, which contributed to economic recession and job loss in the region the 1980s and early 1990s[13] (Button, 1993). While the nation as a whole suffered the effects of recession in the early 1990s, Silicon Valley was hit particularly hard due to increased international competition from Japan. This caused low prices and heavy discounting in the semiconductor industry as cheap Japanese microprocessors made major inroads into the U.S. market. Computer chips had become more of a commodity, a product of high-technology engineering (Miller and Coté, 1987; Ryan, 1991).

Meanwhile, some high-tech industry leaders also blamed taxes levied by the state of California and regulatory standards that hampered the industry's attempts to recover from the economic downturn. High property taxes, workers' compensation insurance and state taxes that were 10 percent higher than the national average led many companies to move all or parts of their operations out of the state to places such as Austin, Phoenix and Portland, Ore. (Button, 1993). At the same time, largely because of passage of the North American Free Trade Agreement, many companies began to move operations south to Mexico and its growing high-tech clusters, especially Guadalajara.

However, since the mid-1990s, industry restructuring and the dawning of the networking and telecommunications age have led to a resurgence of Silicon Valley and its high-technology companies. These companies are prospering by providing the hardware and software to connect individuals with corporate networks and the global online community. Companies involved in the personal-computer and semiconductor industries remain relatively strong, but they do not demonstrate the phenomenal rates of growth generated by the burgeoning networking, telecommunications and "dot-com" companies, such as Cisco Systems, 3Com and Stratacom (Bryant, 1996).

Silicon Valley has clearly benefited from its human capital. The presence of a highly productive, innovative, skilled and risk-taking workforce has contributed greatly to the Valley's success as a "learning region." On the one hand, the productivity and innovation of the Valley's employees is vital, given the intense pressure to keep pace with new trends, ideas and products to ensure that local products are competitive around the world[14] (Thurm, 1996). To some extent, the region's present critical mass of brain power is explained by "growth pole" approaches, which emphasize a region's ability to foster continued in-migration, investment and economic development because of pre-existing forms of production (e.g., the early semiconductor boom). As one pundit observed, Silicon Valley continues to attract brain power because the region "is unmatched in its technical know-how and in the industries that support it — financial, legal, etc." (Ristelhueber, 1991).

However, other factors have clearly contributed to the region's ability to attract and sustain its highly skilled workforce. Indeed, the "steady supply of first-rate minds" in the Valley partly stems from its ability and willingness to attract talent from all over the world (Cassell, 1999; Saxenian 1999). Cypress Semiconductor president and CEO T.J. Rodgers notes that highly educated immigrants "are actually the backbone of Silicon Valley," particularly since the high-technology industry cannot find all the skilled people it needs to expand domestically[15] (Brown, 1997). The recent passage of federal legislation to expand work-related immigration quotas demonstrates the recognition of legal immigration as a partial solution to continuing innovation and economic development in "learning regions."[16] At the same time, the importance of education (particularly institutions of higher learning) and programs to develop and enhance the skills of the region's existing workforce have also been critical elements in the region's success (Saxenian, 1994; 1999).

Finally, in addition to the region's educational advantages and acceptance of diversity, Silicon Valley has fostered a high degree of entrepreneurship by accepting that "failure is success." This means, as Cassell (1999) contends, that the Valley has developed a "culture" that accepts the problem of risk — from both an organizational and a personal perspective — in the high-tech industry and makes available the necessary credit mechanisms (particularly the availability of venture capital) to assist start-ups. Indeed, many of the employees in the Valley's workforce are "risk-taking, dedicated, energetic individuals" who started out by working *pro bono* on high-tech projects that interested them (Warren, 1991). As a result, Cassell (1999) notes, "Valley culture doesn't stigmatize those who have tried and failed in a start-up; everyone knows the risks are high.... The willingness of the culture here to accept failure in the pursuit of success is what makes Silicon Valley the world's technology capital now and in the future. Those who wish to replicate the Valley elsewhere should take heed."

Challenges for the Silicon Valley: To some extent, the region's high-tech employees have reaped the benefits of the current "Internet explosion." Thanks to booming technology stocks, profit-sharing plans and innovative benefits packages, many employees have the resources to purchase new homes, cars and consumer goods (Mitchell, 1995; Sandoval, 1996). However, the Valley's new rich have found that the region's prosperity simply contributes to increased congestion, higher living costs and the proliferation of "million-dollar shack" housing throughout the Bay area.

Some critics suggest that this is a potential barrier to further growth, since the failure to address issues of affordable housing, congestion and other related problems may discourage in-migration to fuel the workforce. Workers from areas with low crime, low housing prices, solid infrastructure and a high quality of life may find themselves unable to buy a house or may balk at increased incidentals of car insurance, health insurance, state tax, county tax, city tax and home security service bills that eliminate the benefits of higher pay (Goldberg, 1993). During the early 1990s in particular, as the region wrestled with changes in the high-tech industry, Silicon Valley faced difficulties retaining high-tech companies. Because of high land and housing prices, increasingly complicated regulatory processes and mounting costs for worker's compensation, many companies were choosing to move their operations to other parts of the United States and abroad (Ristelhueber, 1993).

Meanwhile, at the other end of the spectrum, low-tech employees, low-wage service workers and others not employed in high-end technology jobs in Silicon Valley have witnessed meager salary increases amidst soaring localized inflation. The plight of the region's less educated, lower-income inhabitants raises important questions about the role of education and workforce development initiatives in fostering cross-generational mobility within a region. Because workforce demands are not fully met by the region's local inhabitants, Silicon Valley depends heavily on in-migration. While this is a positive feature in drawing top talent from around the world, this also raises important questions of equity for the region's poorer inhabitants, who remain perpetually ineligible to enter the high-tech workforce because of the “digital divide” in education. On the other hand, a region that invests in developing its K-12 educational system and its linkages to higher-education institutions and employers can fuel growth and employment from within. In this sense, high-tech companies can play a key and proactive role.

Finally, writing about Silicon Valley, Kanter argues that corporations must develop a greater sense of commitment to their employees and become more involved with their local communities to help a region to achieve global status (Kanter, 1995). At the same time, such companies must acknowledge the value of public-private partnerships for regional prosperity. Unlike many other major U.S. industries, Silicon Valley’s electronics community has traditionally avoided interaction with the government. As a result, “the industry has never had the political influence that matched its employment and revenue numbers,” contends economic consultant Dick Carlson: “Until it got into trouble, it couldn’t be bothered playing the Washington game.” Silicon Valley’s high-tech companies long failed to establish relationships with politicians who could speak for high-tech interests, represent them or really understand their business. Meanwhile, many politicians have developed familiarity with more established industries such as iron, steel, textiles or automobiles and have worked with such industries to further their interests and minimize regulatory problems (Schatz, 1992).

IV. Case Lessons: Developing Competitive Strategies for Engaging the Global Economy

Regions have tremendous opportunities to engage the new global economy. The experiences of Miami, Seattle and Silicon Valley each provide useful examples and issues for consideration in the process of developing those strategies. In general, the key for successful planning in these regions has been a shared understanding of the goals for the region and a will to work together in developing the strategies to be employed.

The strategies of promoting trade flows, industry clusters and “learning” regions are not mutually exclusive. To some degree, Miami, Seattle and Silicon Valley have clearly used all three strategies. Like Miami, Seattle has risen to prominence as a successful global trading hub. Like Seattle, Silicon Valley has succeeded in establishing thriving industry clusters. Like Silicon Valley, Seattle has developed very competitive high-tech and biotech industries in recent years. In exploring these cases, we have merely looked more closely at how each has succeeded in adopting particular strategies, what events or policies have been critical in determining their success, and what challenges emerged in the process.

Regardless of what overall strategy or mix of strategies these regions selected, there seemed to be a relatively *high degree of consensus and coordination* in implementing the policies that have determined success in engaging the global economy. Civic leaders and citizens saw the future possibilities of their regions and embraced strategies to realize that potential. Strategic planning to engage the global economy on a *regional scale* has required careful coordination across multiple arenas of policy and across different jurisdictions of policymaking. Miami, for example, opted for a metropolitan form of county governance, which facilitated regional planning on such area-wide problems as transportation infrastructure. However, metropolitan-county government is not the only solution.

Various alternatives to resolving regional problems have been developed in many parts of the country. These include "incremental accommodations like city-county compacts or agreements, regional planning bodies, public benefit corporations (mostly economic development and transportation) and special taxing districts" (Becker and Dluhy, 1999). Such solutions often focus more on "how to build cross-sectional alliances among public, private and nonprofit sector organizations to deal with emerging problems" (Becker and Dluhy, 1999: 3). Whether this involves cooperation with state and federal institutions to develop infrastructure projects or coordinating major events to promote growth (e.g., Seattle's World's Fair), working with other levels of government and the private sector can be critical to implementing a region's larger strategies.

Civic leaders and the private sector cannot take on globalization alone. Seattle's recent turmoil revealed widespread fears that globalization may destroy neighborhood communities, foster greater inequalities and lead to the unchecked destruction of the environment (Geddes, 1997). Yet the Seattle case has clearly illustrated the possibility of generating local solutions to global problems through civic participation and private-public partnerships in planning for equitable, sustainable development. Greater networking across governments, businesses and organizations, industrial clusters, and value chains to recognize their environmental relationships and impacts can help to make the administration and management of the environment an integral part of everyday programs. Making information and opportunities for dialogue available through new technologies and networks can help planners to connect with community groups to resolve problems at the regional and local level.

Finally, regardless of their strategies, each of these cases seems to point to the tremendous importance of education in promoting and maintaining regional success. Clearly, education is an important factor in workforce development. High-quality regional education — particularly higher education, which fuels high-tech entrepreneurship and employment — can serve as a unique competitive advantage in the global economy. Secondary education is also a necessary tool in meeting the basic demands of a region's economy (including computing, linguistic and basic workplace and social skills) and in integrating its inhabitants into the higher education system. Yet education — in a broader sense — can also serve a larger purpose by providing a region's citizens with a shared world view. Whether developing an appreciation of multiculturalism in the Silicon Valley, stressing the importance of multilingualism in The Miami Herald or developing awareness of regional problems in Seattle, various forms of civic education facilitate "regional" citizenship and identity.

V. Conclusion

Regions are an important component of the new era of globalization, and there are multiple strategies for regional engagement of the global economy. The trend toward global economic integration and the development of new transportation and communications networks have made the world a smaller place. Regional-level action has become more adaptable and efficient as a means of ensuring economic competitiveness and prosperity.

The techno-global revolution thus holds important opportunities and challenges for regional civic leaders, policymakers and residents. These challenges can be met successfully when a region's stakeholders work cooperatively toward a shared regional consciousness and consensus in the development of strategies for global engagement. Conceptualizing issues and problems in terms of their larger regional significance is a prerequisite to facilitating further intra-regional cooperation and further action. Shared acceptance of a region's goals and strategies can help prevent affected communities from feeling left out and can ensure greater equity in the outcomes of regional policy decisions.

For the nearly 5 million people in the greater San Diego/Tijuana region, developing a regional perspective is an important step in recognizing and dealing with shared problems, as well as capitalizing on the comparative advantages of a binational region. Recognition of the significant differences and asymmetries that exist across both sides of the border is essential to resolving a wide variety of issues. Together, San Diego and Tijuana can learn a great deal from other more established "global regions" that have employed potentially compatible strategies for growth and competitiveness in the new world economy. Of particular relevance are strategies that emphasize trade flows, the development of particular industry clusters through careful coordination of industrial policy and integrated planning mechanisms for sustainable development, and the development of a region's human capital to meet the needs of its local economies.

The experiences of Miami, Seattle and Silicon Valley present some of the best examples available of the diverse growth strategies that are possible in the new global economy. The approaches used to generate regional success in these cases have different implications, costs and benefits for their respective policymakers and inhabitants. In particular, the experience of Miami holds important lessons — particularly regarding the role of equity in regional stability — that can help San Diego/Tijuana to anticipate the advantages and consider proactive solutions to the challenges of becoming a multicultural global community. Meanwhile, the case of Seattle illustrates the importance of developing structures to involve community interests within a region and planning for sustainable development. Finally, the experience of Silicon Valley provides important lessons about the importance of people — and the need to recognize the role of diversity in regional success — in the growth equations of regional development.

Above all, the principles behind the approaches employed in these regions follow the logic by which globalization has fundamentally transformed the nature of economic competition. These changes have increased the volume and salience of capital and labor flows by increasing the possibility and benefits of integrating regional planning and production and by making the skills and knowledge of a region's workforce a critical determinant of competitiveness. If they combine their respective advantages and minimize the constraints that exist within and between them, the cities of San Diego and Tijuana will be well positioned to develop each of these dimensions to become a region of major significance in the global marketplace.

[1] For example, Friedmann argues that rather than fighting “rear-guard” actions against technological innovation and economic restructuring, organized labor must be encouraged to consider “a wider range of issues than those related to wages, job security and the quality of the working environment” and to develop “region-based” unionism capable of recognizing the mutual interests of the community, employer and labor to achieve negotiated conflict resolution (Friedmann 1991: 175).

[2] Grenier and Castro (1999).

[3] Becker and Dluhy (1998); Jones-Correa (2000).

[4] The transportation hubs and ports of entry in the states of California and New York alone attract over 40 percent of all new immigrants to the United States. With 7.7 million foreign-born persons, California is home to nearly a third of all immigrants to the United States. New York ranks a distant second with 2.9 million, followed by Florida with 2.1 million foreign-born residents. Moreover, over half of all immigrants entering the United States in the 1980s now live in Los Angeles, New York, Miami, Anaheim, Chicago, Washington, Houston and San Francisco.

[5] Other estimates suggest that Miami International Airport (MIA) ranks fifth in the United States for total passengers and third for total international passengers. In 1998, more than 34.5 million travelers passed through MIA (“Miami,” Association Management, 1999).

[6] Current debate in Miami centers on this dilemma and whether to break the unincorporated suburbs into 10 to 15 new municipalities. Recent victories by advocates of “fragmentation” (breaking up and incorporating the county) suggest that “[i]f the county continues to offer these services, it will do so only in the poorer areas of the county either that are unable to form a viable municipality on their own or that none of the existing municipalities wish to annex.” Meanwhile, “the impetus behind the fragmentation movement derives from groups of determined elites who wish to have substantial control over expenditures. They normally are hostile to regional solutions and have considerable political influence” (Becker and Dluhy, 1999: 12-13).

[7] At the time this form of government was implemented in 1957, approximately 78 percent of the county’s population resided in incorporated areas; however, by 1990, the population living in unincorporated areas reached 53 percent, leaving Miami-Dade County as a provider of both tiers of public services for just over 1 million people. Becker and Dluhy note that “if the entire area were to become incorporated, it would become the sixth largest city in the United States” (Becker and Dluhy, 1999: 5).

[8] Altogether, there are more than twice as many non-Latino whites as Latinos in the elected offices of the county’s local governments. At the county level, seven of the 17 elected offices in the government of Dade County are held by Latinos, all but one of whom are Cuban (“Globalization to a Latin Beat...,” *Annals*, 1997).

[9] In 1990, African American family incomes were 80 percent that of Latino family incomes, while 27 percent of African American families lived under the official poverty line (compared with 16 percent of Latino families). That same year, African Americans experienced a higher rate of unemployment than Latinos, with 13 percent and 8 percent, respectively (“Globalization to a Latin Beat...,” *Annals*, 1997).

[10] The circulation of *El Nuevo Herald* grew at 7 percent in 1999 to reach 87,500, while those of The Miami Herald (whose circulation is approximately four times larger) remained stagnant. Joe Natoli, president of The Miami Herald Publishing Co. (owned by Knight Ridder), claimed that “*El Nuevo Herald* will be the fastest-growing newspaper in the United States for many years to come” (Nicholson, 1999).

[11] In 1909, Seattle had sponsored the Alaska-Yukon-Pacific Exposition, which helped boost the local economy and brought improvements to the area, especially the campus of the University of Washington.

[12] This initiative had mixed success. Planning consultants noted the difficulty of working with a revolving cadre of community volunteers. John Owen, whose planning firm “Makers” was hired by five neighborhoods, noted that there was typically a core of 12 to 24 volunteers who stayed the course; others tended to drop off when things got tough (Enlow, 1999).

[13] From 1984 to 1993, more than 40,000 manufacturing jobs were lost in the Valley, while job growth stagnated; a further 10,000 jobs were lost in the first half of 1993, including 2,500 at Apple, 335 at NeXT, 1,100 at Amdahl, 900 at IBM’s San Jose site and 3,400 at Tandem (Button, 1993).

[14] Government statistics reveal that Silicon Valley workers increased productivity 4 percent per year from 1987 to 1992, while employees in other industry segments witnessed a 1 percent annual increase. Many employees throughout the Valley are constantly training to increase their knowledge and value to companies.

[15] One pundit observed that the Valley has achieved a true “meritocracy”: “The Valley basically cares about one color — green, and your ability to create lots of it” (Ristelhueber, 1991).

[16] In 1997, a consortium of executives from 40 leading Silicon Valley corporations began working with Sen. Spencer Abraham, lobbying the U.S. Congress for relaxed restrictions on legal immigration (Brown, 1997).