

# Application Model for Regional Economic Development

July 2021



## .. Think Tank Participants ..

Aiman Saif (former head of the Economic Development Authority in the Arab Sector),  
Eli Malka (former Chairman of the Golan Regional Council), Dr Galit Rand (Haifa Municipality),  
Zeev Hayut (Wertheimer Foundation), Lior Schillat (Jerusalem Institute for Policy Research), Michal Fink (Ministry of Economy),  
Michal Raikin (Atudot North), Maria Jiries (Ministry of the Interior),  
Sivan Yechieli (i4Valley - Karmiel Incubator for Smart Industry), Ronit Ovadia (Beit Hakerem Cluster),  
Binny Shalev, Amit Granek (Russell Berrie Foundation),  
Rani Dudai, Keren, Doron Katz, Rotem Ariav, Yishai Sorek (Joint Elka)  
**Project and production manager / Sharon Rouach-Koren (Joint Elka)**  
**Written by / Roy Folkman Research, data and case studies / Nati Hasson**



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## Executive Summary

### Dear Friends and Colleagues

Like many others who share our core value of a flourishing Israel, the Russell Berrie Foundation holds promoting economic development in Israel's periphery as a major priority. For more than a decade we have invested in leaders, institutions, local authorities, and other entities to strengthen the north. Our support for better collaborations across diverse communities to enhance the capacity of local leadership are essential to economic and social development and improved services for the entire region. Our efforts have taken place through a period of increased focus on Israel's north including several public and private large scale and ambitious development plans to advance the region.

As funders we constantly assess the impact of our own granting, but there are moments to step back and look with a wide lens. We wanted to explore why, despite major investments of money, planning and targeted initiatives by government, academia and philanthropy we remain so far from seeing substantial and sustained change.

Regional development is a complex issue, there are numerous players and projects in this space, and this analysis cannot happen in a vacuum. We reached out to our partner, JDC-ELKA, to help us look at the big picture, understand the current reality and derive insights that could be applied by ourselves and others who share the goal of moving the needle further and faster in the years ahead. JDC-ELKA created a think tank of experts including senior figures involved in advancing processes in the north from the government, local government, academia, business sector, philanthropic foundations, and other stakeholders.

The group sought to determine the necessary components for implementing an economic development plan. They looked at existing plans and examined the barriers that stood in the way of their progress. They delved into the challenges that need to be addressed and looked at a range of issues, asking which, with the right awareness, could increase the chances of any of the plans' implementation and effectiveness.

The study's findings and insights are important to all manner of stakeholders engaged in development of the north: investors, researchers, local and national decision makers and change agents, the private sector, local practitioners and, of course, the philanthropic community.

Key findings point to the need for distilling regional narratives and objectives that bind stakeholders in a shared vision for the future and having metrics which drive action toward these objectives. It means helping to secure the next stage of development through a more institutional rather than start-up management mentality. It means fostering the important awareness, as highlighted by recent events in May of 2021, that economic development in isolation from social and economic inclusion cannot succeed. Economic capital and social capital are both intertwined and essential.

The good news is that while progress may have been slower than we would like, it has been ongoing. We have much to learn from and there have been clear gains in creating trust and collective impact. This report is an invitation to come together and explore new thinking to achieve sustainable economic and social advancement to lift the quality of life for the residents of the region. We welcome your interest and participation!



**Angelica Berrie**

President, Board of Trustees  
The Russell Berrie Foundation



**Ruth Salzman**

Chief Executive Officer  
The Russell Berrie Foundation



**Binny Shalev**

Israel Director  
The Russell Berrie Foundation



**Dr. Sigal Shelach**

Executive Director  
JDC Israel



**Ori Gil**

Director  
JDC-ELKA



**Keren Doron Katz**

Head of Quality Assurance &  
Regionalism  
JDC-ELKA





**Dr. Yossi Bachar**  
**1955-2020**

**We dedicate this guide to the memory of Dr. Yossi Bachar, Co-Chair of Joint-ELKA's Advisory Committee and first Israeli trustee of the Russell Berrie Foundation.**

Yossi was a true partner, mentor and strategic thinker, whose passion for improving Israeli society was matched only by his wealth of experience, which included leading reforms that changed the face of the Israeli economy. Yossi brought his expertise to the mission of promoting Regional Economic Development in Israel. A pivotal member of the Regionalism Experts forum, he played a key role in forging policy recommendations for a new regional layer of governance in Israel which were accepted by Israel's Ministry of Interior in November 2020. Yossi, who passed away in December 2020, left an imprint not only on society, but in the hearts of everyone that had an opportunity to know him, and his legacy will continue to provide a guiding light for us.



# Introduction

Since 2006, after the end of the Second Lebanon War, there has been public and political discourse on the need to strengthen the North of the country. The war increased the downward trends in the North relative to those in the rest of the country. It is true that general discourse lacks sufficient resolution. For example, discussion of the Haifa metropolitan area relative to the Beer Sheva, Jerusalem and Tel Aviv metropolitan areas differs from the situation in the Upper Galilee, which is characterized by peripheral distances, more like the Arava and Eilat. The discussion about the integration of the Arab population in the Galilee in the Israeli high-tech economy is not identical in its characteristics to the discussion about the connection of development towns in the North to employment with high added value. However, the general data on the North have been sufficient to provoke a public and political discourse about disparities and the need to reduce them. These gaps are per capita income, labor force participation, poverty indicators, life expectancy, purchasing power, academic achievement and almost every horizontal measure. It is clear that the gap between the population living in the Galilee and the center of the country is not only not narrowing but has been widening in the last 15 years.

In view of the trends reflected in data commonly measured at the national level, over the years many programs have been written and hundreds of projects and initiatives have been promoted to strengthen the North, including general government initiatives, municipal initiatives, and specific projects. At first glance one can see quite a few successes in various arenas. Academic education rates in Arab society are growing significantly, including in the scientific and technological professions. Business clusters are developing, such as in the field of Foodtech in the Eastern Galilee, and there is considerable municipal growth in quite a few localities in the North.

The study presented below is an initiative of JDC-ELKA and the Russell Berrie Foundation out of a desire to examine the implementation of plans to strengthen the North. The issue before us was not whether the strategy of relative advantage was the most effective one, or whether the selection of Foodtech in Kiryat Shmona or in the Karmiel 4.0 Industrial Center was necessarily a correct decision. Likewise, this document is not a strategic plan for the development of the Galilee. The aim of the study was to discover the components required for the effective implementation of a regional economic development plan, to examine the broad range of issues which, if we are aware and act upon them, may increase the chances of successful implementation and effectiveness of the plans for the region. To examine the issue, a think tank was formed, consisting of key officials involved in advancing processes in the North, some in official positions in government ministries, philanthropic foundations and support bodies and some former senior officials who have had a practical influence on development processes in the North.



It is important to emphasize at the outset that the implementation of a program varies according to content characteristics (vertical division). That is, implementing physical construction programs is different from implementing science study programs. Analysis of barriers and components required for effective implementation also depends on the content of the program being implemented and the professional discipline. This document, therefore, seeks to create a guide for developing and promoting regional programs in a way that will increase their chances of successful implementation. The focus is mainly on areas of economic development, but also on the discussion of regionalism and its context for the implementation of effective growth processes in economic development in Israel.

Regionalism is a concept that is gaining a growing foothold in the professional and public discourse in Israel (although less so in the political discourse). Along with the trend of weakening central government, especially in terms of execution capabilities, the need to strengthen local capacity to lead and implement processes is becoming more evident. However, due to the lack of a stratum of governance between central government and local authorities, this understanding has not translated into implementation. Why? The Galilee is a good example. 94 local authorities and councils produce great decentralization, in which the lack of personnel at both the professional and political level makes it difficult to lead processes. Thus, in recent years the understanding has begun to permeate that regional processes must be created and mechanisms for regional cooperation must be developed. The need for this is not only due to the lack of sufficient capacity at the municipal level, but also to the fact that most areas of development go beyond municipal and local authority boundaries, since employment, transportation, environment, health, and higher education are not limited by municipal boundaries in small and medium-sized localities. To promote policies that encourage growth, planning and implementation for these and similar issues, action must be taken at the regional level.

Understanding of the need to promote regional processes is still in its infancy in Israel, especially in terms of implementation mechanisms, tools, and metrics for examining regional processes. The role of this document is to outline the basic principles required for promoting regional development processes. The premise is that the transfer of power and capabilities from the central government in Jerusalem to the regional and municipal level must move forward and be expressed in authority and budget. However, for this action to yield real benefits for citizens, knowledge and tools must be developed.

This guide provides tools for planning and executing processes to increase the chances for successful implementation and effectiveness of regional growth plans. Although this report focuses on the Galilee region, the insights are also relevant to other areas in Israel.

You can read the guide in sequence to see the big picture. However, each part stands on its own, so, for example, those who are focused on issues in the Galilee should read the first part, whereas those who are interested in regional processes in general can start with Part Two and choose the components that interest them. Ultimately, the goal was to produce a common language and to refine principles whose assimilation into programs will increase the chances of successful implementation.





# The Structure of the Guide

The guide is made up of two parts:

## Part One

Questions about regionalism and economic development. This section briefly presents the survey and the questions it raised in the context of economic development in the North of the country.

## Part Two

A model for understanding implementation processes for regional economic development. This section presents a unique model for understanding and improving regional implementation processes from a broad perspective.

An Application Model for Regional Economic Development - First version July 2021. The purpose of this document is to develop and to update current knowledge in accordance with insights from the field. We would be happy to receive any comments and suggestions at SharonRK@jdc.org

\*The full guide can be found at the Joint Digital Library:  
<https://www.thejoint.org.il/en/digital-library/application-model-for-regional-development/>



# Part One

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## Survey and Broad Perspective

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Between the government decisions in 2006 and 2018 and the comprehensive "Northwards" strategic plan in 2008 and that of the Ministry of Economy, which was presented in 2015 and translated into a government decision in 2017, and through 2020, dozens of other plans for Galilee regional development were written. Some are municipal programs, some are in defined areas (tourism or education), some are dedicated to specific populations (a long list of programs and government decisions regarding the minority sectors in the North and ways to reduce disparities). Some of the plans were general and superficial and some were detailed in-depth studies (for example: Upgrading the Economic System in the North of the Country, the Ministry of Economy and the Samuel Neaman Institute in collaboration with the Pareto company, published in April 2015; The Strategic Plan for the Eastern Galilee as an Industrial Ecosystem, Tali Hatuka et al, initiated by the Municipality of Kiryat Shmona).

The basis for writing this guide was shaped by reading the plans and decisions that have been advanced over some 15 years since the Second Lebanon War. This reading raised questions, such as: How were the disparities presented? What goals and objectives were set? What happened to those plans and how were they translated into action on the ground?

In addition to looking at government and local economic development plans, as part of formulating insights into the implementation of regional development processes, we also looked for more focused actions that still have a regional impact but are not multidisciplinary plans. It is customary to define these operations as regional anchors. The focus was on anchors in the Upper Galilee region but not only these.

The surveying process does not pretend to be exhaustive and inclusive of every anchor and project, but rather to attain a broad enough picture from which it is possible to learn about phenomena and processes. In addition, over the last five years we have seen a proliferation of initiatives and projects, which has generally sharpened the distinction between starting and maturing programs. We have seen many plans in the past and present in the stages of formation and start-up, and few plans that have matured into successes with a significant scope of impact at the regional level. There are quite a few successful programs that promote growth and development in the Galilee. We tried to understand why the whole picture does not appear to be sufficient and does not show a region with positive forward momentum.



### Questions we asked when looking at projects and anchors in the Galilee:

- **Is this a project with a regional impact?** That is, does it affect multiple local authorities and regional core issues? We looked for projects with a broader management mechanism than the control of a single local authority.
- The simple facts. **Who is involved in the project? In what area does it operate and what is its area of influence?**
- Is this a project that grew from the field (**bottom up**) or from the government (**top down**)?
- **How mature is the project?** Is it a start-up project, whose impact is still difficult to pinpoint, or a mature project, whose impact and courses of action are clear?
- What is the **theory of change** that underlies the project?
- What **success metrics** were defined?

We examined dozens of projects and initiatives divided into seven categories: industrial development; high-tech; life and health sciences; tourism; academia and human capital; small businesses; and mass transit. This is only a partial list, because it is clear that if the focus had been, for example, on the city of Haifa, as well as in other large cities in the North, many other initiatives could have been added. However, the perspective taken was wide enough to raise key dilemmas.

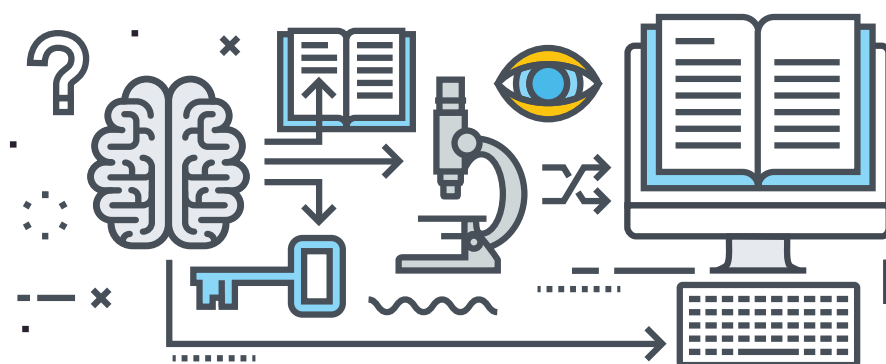
### During the survey, a number of broad issues arose:

1. **Maturity, impact, and initiative:** We saw that there are few mature projects that grew out of the field and those that are mature have a limited regional impact. Furthermore, we saw that relatively few government initiatives have reached maturity and had a significant impact. The division into "bottom up" and "top down" shows that among different players there are different interpretations of the meaning of each term. For example, for some of the government actors, a project whose management and leadership are executed regionally is considered connected to the field. In contrast, for some regional developers, the definition for a project growing out of the field is that it is carried out without government assistance.
2. **Geographical hierarchy:** Regional development requires focus and understanding of the appropriate role for each local authority in the regional fabric. In practice, investing in projects or withdrawing them is also driven by politics (or by the relationship of the head of the local authority with political figures that allocate resources) and is influenced by the degree of entrepreneurship and the demonstrated ability of the local leadership.





3. **Northern Metropolitan Areas:** One of the major phenomena observed in the world, in the context of regional development is the attraction of population, investment and the business sector to metropolitan centers. However, over the last decade, the Jerusalem and Beer Sheva metropolitan areas have become stronger, while Haifa has lagged behind. Between 2009 and 2018, there was an increase of between 25% to 35% in the number of employed persons in the metropolitan areas of Tel Aviv, Beer Sheva and Jerusalem and in the central districts (Employment Surveys for 2009 and 2018 CBS). Haifa showed the lowest increase of all measured areas (around 20%). In the last decade, there has been only a small increase in the number of high-tech employees (6.2 thousand in 2009 to 7.3 thousand in 2018, with a declining trend from about 8 thousand employees in 2014). The business areas in the city have also shown stagnation for many years.
4. **Inclusive growth.** Another issue that arose in the survey that has unique significance for the Galilee is inclusive growth. About 1.6 million people live in the Galilee. 52.7% of them belong to the non-Jewish sector. The strategic goals presented to the government speak of reducing disparities, raising per capita GDP, and increasing productivity at work. Achieving these goals requires supportive infrastructure, such as transportation and early childhood education, realizing the potential of human capital, and growth engines, including tourism and high-tech. In practice, we found barely any participation of Arab-owned companies in the main accelerators. The partnership in the management of regional industrial zones is limited and the connection to anchors, such as the Safed Medical Faculty, the Foodtech Cluster in the Eastern Galilee, and the Institute of Advanced Industry, is also limited.



# Part Two

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## A Guide to Regional Implementation Processes

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Implementation processes are a complex matter. The aspiration to produce a simple model for improving implementation processes is overambitious and dependent on focus and clarity relative to the model's context. In analyzing implementation processes, we must understand the dimensions that we are examining. One dimension of observation is local and unique, local in the sense of the special characteristics of the Galilee in Israel. We have addressed some of these characteristics in the first part of this document. The unique aspect addresses the issue of disciplines; in our case we are focusing on economic development. As already mentioned, implementation of educational programs or construction programs differs from implementation of regional economic development programs.

The second dimension of reflection on implementation is universal and generic. Universal in the sense that its principles are true in different parts of the country and the world and not necessarily particular to northern Israel. Generic refers to correct principles in implementation processes for public processes and issues such as: clear success indicators; monitoring and control mechanisms; inquiry and learning mechanisms; correction processes; and residual powers. All of these are broad principles that are also correct for implementing reforms in health, education, economic development, and infrastructure.

The implementation model described below is designed to help focus on the issues that affect the chances for effectively promoting regional economic development initiatives. Before describing the model, we present the ten main issues that the model addresses:

- 1. Governance structure and sufficient budget are clear basic conditions, but they should not be the only focus of expectations for implementation and impact:** Influence on these components is long-term and dependent on extra-regional forces. Focusing on them alone produces mental fixation and negative sentiment (negative feelings, such as helplessness) that impair the chances of successful implementation.
- 2. Local leadership and sentiment (strength or weakness, success or stagnation):** These have an important, central impact on success of processes, but focusing on them at the expense of other components can produce frustration. These are long-term, infrastructure factors and it lessens effectiveness to place them at the center of projects and programs.



- 3. The role of national government and of local leadership in implementing development processes:** Experience shows that regional success starts from the field and not from the national government. Each side has its own role; action cannot come only from the national government.
- 4. Defining correct metrics is necessary for effective implementation:** Metrics should promote change and encourage regional thinking. The best example of this is the index of household income, which supports regional growth, as opposed to an index of number of businesses and business property tax, which encourages local rather than regional thinking.
- 5. Mechanisms for regional cooperation:** This refers to collaboration between various bodies, between the governmental, academic, and business sectors, while understanding the role of each institution and mechanism. Collaboration depends not only on personal leadership but on regional organizational culture.
- 6. Consciously defining the “theory of change”:** This leads to a different definition of implementation processes and to measuring successes accordingly. Sometimes a plan or project is built on more than one theory of change. However, it is important to define and clarify how each chosen action serves the process of improving the existing situation.
- 7. Clear definition of success:** Some processes are short (for example one year, five years [local officeholder term] or more than five years) and others may take a decade or more before we know whether they have succeeded (for example, the establishment of the Medical Faculty in Safed). However, in all cases, there must be clarity about progress and improvement.
- 8. From start-up projects to mature and broad change processes:** Israel is a start-up country. This is also true for social initiatives and regional development initiatives. The ability and knowledge required to start a new project are not the same as those required to manage a mature project. Emphasis must be placed on skills for managing mature projects and not only on project initiation.
- 9. Investigation, learning and correction:** Change processes require review and debugging. Regional development initiatives must have a mechanism for ongoing monitoring, learning and improvement. There is no initiative whose characteristics do not require change over time. In most cases tools exist for initiating processes but not for accompanying and improving them.
- 10. Synergy and critical mass of resources:** Investment in just one channel is not enough. Promoting quality employment without raising the level of the quality of life and services will make it difficult to attract and retain a strong population in the area. In addition, and in the context of the previous sections, there are activities that require crossing an investment threshold. Initiating multiple projects may be correct at some stages, but project maturation requires a focus of effort and a critical mass of resources.
- 11. A full, coherent story:** Regional growth is a holistic process. One of the model's goals is to provide an overview of all the components of regional growth, one that examines competitiveness from a global and not only a regional perspective, and builds a success story including branding, public relations, and marketing.



# A Model for Implementing Regional Processes



## A Model for Implementing Regional Processes

### Explanation of the Model:

The infrastructure and theories of change of a project lay the groundwork for building a plan or project whose chances of implementation are greater. Awareness of the initial conditions and clarity in relation to goals, objectives, and metrics subject to an organizing idea, constitute an important basis for the impact of regional development processes.

### The Infrastructure Level

The infrastructure level in the model is divided into two groups of factors. The first group includes public budget allocated to the region and governance structure (mainly in the sense of decentralization versus the concentration of government powers). The second group includes local leadership and prevailing sentiment in the area (a sense of ability and growth or alternatively weakness and decline).





## Regional Story - Theory of Change

One of the most notable gaps revealed in the survey in the context of regional development plans concerns the definition of objectives and goals and how they can be realized. This connection is supposed to be made by the theory of change. A theory of change should lead from the high and abstract concept of regional economic development to the concrete level of changes in metrics such as wage increases, poverty reduction or the volume of investment. While there has been progress in recent years at the conceptual level about regionalism and regional development, there is still a gap between the conceptual level and the practical outcome level. In government working papers one can find tools for regional thinking (master plans, umbrella agreements, government decisions), but there is no clarity and no consensus regarding the theory of change, which is supposed to synchronize projects, milestones, goals, and metrics.

When we come to build a plan for the development of the Galilee, or any other region in the country, we rely on a theory of change that is supposed to be a guiding "North Star" and a justifying factor for all the plan components. Change theories, whether precisely formulated or in the background of decisions, are based on a series of assumptions and perceptions, some of which are research-based and some political and ideological. The main argument of the implementation model is that it is essential to formulate the theory of change since different actions and distinct Indicators are derived from it. Clear change theories should also be the glue that binds sectors. The public, business, NGO, and academic sectors need a common language, clear goals and objectives, and an orderly idea that allows each sector to exercise its capabilities appropriately. The theory of change is the basis for collaborative work.

Change theories can complement each other but they can also collide with each other and reduce the chances of success. For example, Professor Michael Porter's cluster model requires investments in the development of a cluster of businesses in the regional space. On the other hand, there is a growth theory that sees the metropolitan areas as development centers and the effective approach in the transportation connection to these centers. The existence of the two conceptions in parallel will lead to a conflict in decisions on resource allocation. A change theory that promotes organic local entrepreneurship and a change theory that focuses on inclusive growth are theories that complement each other and can produce synergy in investments and actions for their implementation.

In the research for this document, we defined theories of change under the heading "Storytellers in the Galilee." The intention was to say that change theory is not only an analytical model, it is also a story, a narrative, an approach. Stories about an area are no less important than an accurate analytical outline expressed in milestones, metrics, and precise details of operations.



## Regional Story - Theory of Change

### Metrics

The other part in the Theories of Change section of the model focuses on the impact metrics of the plans and projects related to regional development. In addition to any change theory, clear metrics adapted to the chosen approach are needed.

These metrics/indicators must be:

- **Action-oriented:** Metrics that can be noticeably influenced within a reasonable time (preferably time periods should be divided into periods of one year and the period of terms of elected officials in the local authority). The rationale is to use indicators that produce a sense of urgency and show change. The challenge is to look for regional frameworks that present data that is more effectively influenced at the regional level rather than at the level of the individual locality.
- **Regionalism oriented:** Metrics that require cross-sectoral cooperation and that measure collaborative organization. These are metrics that measure processes of building networks, cultivating trust, and promoting joint efforts.

In addition to the need to examine action-oriented metrics and define indicators that aid in regional implementation and planning, the implementation model in this guide clarifies our understanding that there is no generic benchmark for regional growth.



### Implementation Processes

The infrastructure and theory of change levels lay the groundwork for constructing a plan or project whose chances of implementation are greater and are expressed in the planning stages. Awareness of starting conditions and clarity regarding goals, objectives, and metrics, subject to an organizing idea, form an important basis for the impact of regional development processes. The third level in the model is the level of implementation processes. Its components come into play after a plan and project are already set up. These components do not shape the principles of the plan but constitute the means for the plan to emerge from theory to actual implementation in the field.

The first two components in this area - tools and capacity - apply to any organization working to implement regional programs, both in the business sector and in the public and philanthropic sectors.

#### The implementation process level in the model includes three components:

- 1. Tools applied to entities external to the implementing entity.** The role of the tools is largely to create partnerships and encourage a shared vision among as many entities as possible and to encourage commitment to the implementation of the program and project. To describe this component, the word "tools" was chosen. Tools can be used on different programs, as opposed to "actions" which are related to a unique program. The toolbox is the working methods that the organization employs when it comes to promoting a project with a regional impact.
- 2. Internal capacity of the implementing entity.** Abilities that are expressed in both personnel and in organizational and managerial culture, which increase the chances of success in implementing processes.
- 3. Mechanisms for regional cooperation.** Unlike the tools that are actions of mechanisms, this section talks about the mechanisms themselves. Mechanisms may be formal institutions (authorities, clusters, government districts, etc.) and may also be informal cooperation forums, such as the Northern Reserves Task Forces, the Socio-Economic Forum of Business Organizations or the Galilee Spirit Club for regional vision design and recruitment of local players.

The secret to implementing development processes at the regional level is through the development of appropriate tools, capacity, and mechanisms.



Special emphasis can be placed on formal and informal mechanisms for regional development. The details of the mechanisms are based on the characterization of the tasks of these bodies.

### Roles within regional cooperation mechanisms

When we examine organizations in the context of regional activity, we need to refine what types of roles such organizations need to perform, including regional administrations, economic companies, clusters, and development and investment funds. In these bodies you can find the following roles:

	Nature of the Task	The rationale of a specialized body	Activity structure
<b>Execution</b>	Maintenance, construction management, infrastructure development, collection, event production.	Ability to perform at the business sector level.  Professional disciplines from the private sector.	Closed budget in the cost + model, usually full public funding.
<b>Management</b>	Managing urban or regional assets (with characteristics of independent income - industrial areas, cultural institutions).	Performance ability at business sector level, independent P&L, VAT considerations.	Activities financed by independent income, sometimes dividends are paid to the authorities involved.
<b>Planning</b>	Physical planning for strategically important regional projects, promoting strategic plans for regional development.	Specialization and professionalism, flexibility (enabling recruitment of experts for specific tasks).	Pooling of resources. Public, local and philanthropic.
<b>Traditional development</b>	Developing economic sites of strategic importance, tourism-oriented development.	Responsibility for strategic regional tasks.  Efficiency and management quality.	Usually based on cost centers per project.
<b>"Soft" business development</b>	Development of "economic master plans" / industrial clusters, promotion of tourism (marketing and management of tourist experience), marketing and attracting companies to the area.	Managerial flexibility and efficiency in responding to the private market, Responsibility for strategic tasks.	Cost centers  Usually funded from public sources.



	Nature of the Task	The rationale of a specialized body	Activity structure
<b>Resource pooling</b>	Maximize use of public resources ("Requests for proposals," tenders). Leverage resources vis-a-vis the private and philanthropic market.	Ability to work with the private market, with the government and with the private sector.	Dedicated task teams for each field, building an independent spending model for each project, building participatory management processes for the public, private and civic sectors.
<b>Advocacy</b>	Building a professional stance vis-à-vis government bodies.  Creating a critical mass of regional entities requiring response from the government echelon.  Learning the professional language relevant to the national level.	Ability to pool regional forces in a way that fosters political and professional impact that is not possible for each small local authority.	A manager who gains significant status in the region and political backing from involved parties.
<b>Managing communities and networks</b>	Developing professional connections between entities in the region; Capacity building; Connecting networks to processes and practical products in the region.	Task focus, being at the seam between social, business, and public frameworks. Flexibility in resource utilization.	"Start-up" management, flexible, creative structure, organizational culture of innovation and risk taking.

As mentioned earlier, the message of the guide to implementing regional growth processes is that one must understand the map of actions and know how to use it to navigate toward the chosen destination. The discussion of mechanisms can give rise to several practical results: knowing how to identify which organization is suitable for which role; knowing how to improve the capabilities of a specific organization so that it can best perform its task; knowing how to create combinations and synergies between organizations - allocating roles to each organization for which it is particularly suited; thinking about which additional organizations and mechanisms are required in order to improve the chances of effective implementation of programs and projects.





# Translating the Principles of the Guide into Practice

It is not within the scope of this guide to turn the principles into a work plan. This is the task of professionals in the various organizations that seek to promote regional growth. The modest contribution of this guide is in creating clarity regarding the various components required for successful implementation. To strengthen the practical aspect of the guide and the ability to translate it into real action, here briefly are the main applications of the principles written above:

- **Building a common language:** Regional economic growth requires building a common and clear language, a language that allows for clarity about change theories, success metrics and different methods of action. The role of this guide is to lay the groundwork for such a language.
- **Developing supportive mechanisms:** The mechanisms operating in the regional space were not created for the purpose of regional thinking. In both local authorities and businesses, the focus is local and personal. There is an essential need to locate, develop and produce appropriate mechanisms for regional development. The regional clusters are a basic infrastructure that requires adjustments. However, this is not the only mechanism required to operate at the regional level. Mechanisms that enable collaboration between the business sector, philanthropy, academia, and the public system require thinking and establishment. In addition, informal mechanisms for network development are not present in the Galilee or in most areas of the country and must be established.
- **Network literacy:** Israel is a country with a "results focused" culture. We think in terms of projects and look for the obvious benefits. Network development can be seen as a waste of time - conferences, meetings and "a lot of money for cookies and coffee." The role of this guide is to sharpen the need to find a balance between networks and projects. On the one hand, one must invest in an efficient and sophisticated irrigation system, and on the other hand, one must focus on the crops themselves. Networks are the main tool for growth in the era of the knowledge economy. We are not good enough at this, so the role of this guide is to make clearer the need, the understanding, and the ways in which regional networks can be developed.
- **Double bottom line:** Like the previous section, many of the principles described in this guide talk about required infrastructure, capacity, tools, and mechanisms. We are looking to produce an impact and see results. In working with decision makers and with the business sector, it is essential to show clear and measurable benefits. However, implementers must also be familiar with the infrastructure processes necessary to deliver the required results.



- **The role of the government as an enabler and not as an executive body:** One of the main insights from analyzing the role of the national government in regional growth is that there is over-centralization in Israel. Often the government thinks it knows better, while the region is constantly busy “explaining” to the government what needs to be done. What was stated earlier regarding resources and leadership is also true of government. The national government is an important component, but it should not be made the exclusive condition for implementation.
- **Make change with those who come:** The unequivocal recommendation is to create diverse forums for regional cooperation, both forums with a broad spectrum and forums focused on unique topics. Sometimes, this may be a professional forum with participants from similar organizations (academic institutions forum, clusters forum or fund forum) and sometimes this may be a sectoral forum, like the forum of business entities in the Galilee. As of this writing, there is a lack of such encounters. How do you create successful forums? Sometimes you need a central figure who knows how to gather participants. You always need to give a practical angle to the meetings and at the same time provide good conditions and a satisfactory composition that will make people want to come. Bottom line, make change with whoever comes.
- Finally, a slightly less principled and more unique recommendation for the Galilee. In the absence of an entity that knows how to integrate efforts in the Galilee, it is necessary to establish **a Fund for the Development of the Galilee - A Fund of Funds**. A body that will unite philanthropy, regional clusters, professional knowledge bodies, academia, the business sector, and government. The role of such a body will be to pool resources and increase them and produce a focus of effort and synergy in operations for the economic development of the Galilee.



# Summary

At a time when national politics is showing paralysis and divisions, opportunities to fix problems are growing in the local and regional arena. While national politics highlights controversy and deals with symbols, local politics is focused on action. At a time when there is less and less connection between actual change and attitudes towards parties and politicians, regional leadership must promote innovation, act pragmatically, and encourage collaboration and compromise to promote action and results.

Now is the time to advance the discourse on regionalism to more precise and unique levels and to work on spreading the idea of regionalism into the various sectors, and to a significant scope of position holders. Regional discourse must not become a code word for those in the know, like innovation or competitiveness. This requires a clear formulation of the meaning of regional development and a measurable definition of benefits.

Beyond this, the principles outlined in this guide are designed to increase the impact and chances of implementing successful regional growth processes. We need to be focused on the processes that lead to results and successes. Regional thinking is not "style" and "atmosphere"; it is a fundamental change in the forms of conduct between players in the region to encourage growth and quality of life and to reduce disparities. To achieve the desired results, the knowledge, understanding and abilities of all the players operating in the region must be improved. This guide is another means to advancing the vision of economic and social growth of the Galilee and other areas in Israel's periphery.

## Summary



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# Application Model for Regional Economic Development



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