

Broadband, Entrepreneurship, & Collaboration: Identifying Internal Sources of Growth

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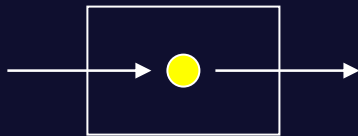
Presentation to MIHELP Summit on
Rescuing Low Performing Cities
Policies to Deal with Cities that Empty Out
November 17, 2008

Changed Economic Context

Dominant Paradigm

Smokestack
Chasing
or
Buffalo Hunting

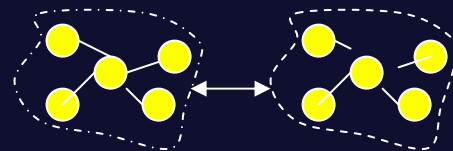
- Regional Economy = Island
- Isolated
- Expensive Public Policies
- Limited Economic Impact
- Zero-Sum Game



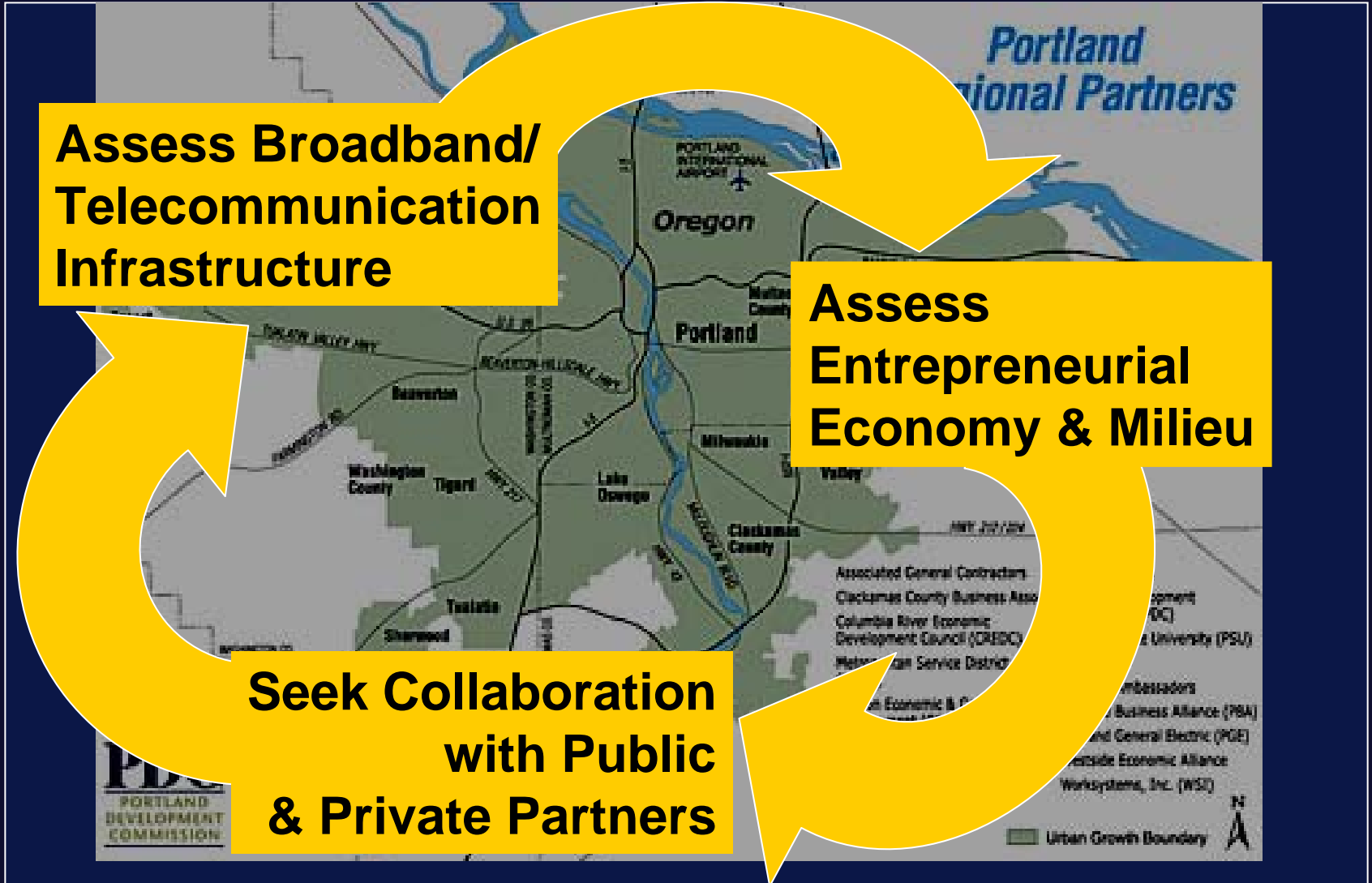
Emerging

Invented
Here

- Regional Economy = Network
- Globally Connected
- Feasible Policies (i.e. Littleton)
- Internal Capacities:
 - Broadband Networks
 - Ideas & Firm Creation
 - Collaboration



Regional Assessment Model



City Broadband Perspectives

- Public and private sector conflict on technology infrastructure growth
- Lack of infrastructure knowledge
 - Ownership
 - Capacity
 - Location



Broadband Principles:

1. Leverage existing assets.
 - Municipal utility, joint-venture infrastructure
2. Create telecom infrastructure inventories.
3. Foster leadership and vision.
4. Cultivate public outreach and partnerships.
 - Educate providers about low service areas where market opportunities exist.
5. Generate spillovers across departments.
 - Economic development, planning, transportation, public works, and finance departments

Entrepreneurship

- Self-employment rose 12.2% from 1995-2004.
 - 10.2% of work force in 2004 is self-employed.
 - 0.3% of adults per month become self-employed.
- Men represent about 2/3 of self-employed.
 - Women-owned businesses grew twice the national average (22.9%, 39% in employment).
 - Hispanic-owned businesses grew three times the national average (31%).
 - Baby boomers, retirees

Large Towns and Small Cities

States

Most entrepreneurial states:

- VT, CO, MT, WY, ID

Least entrepreneurial:

- DE, WV, AL, KY, PA

Most populous with high rates of entrepreneurship:

- TX, CA, NY, FL



Metropolitan Areas

Highest Rates (per 100,000 adults):

Atlanta (430)

Riverside (430)

San Francisco (420)

Houston (400)

Lowest:

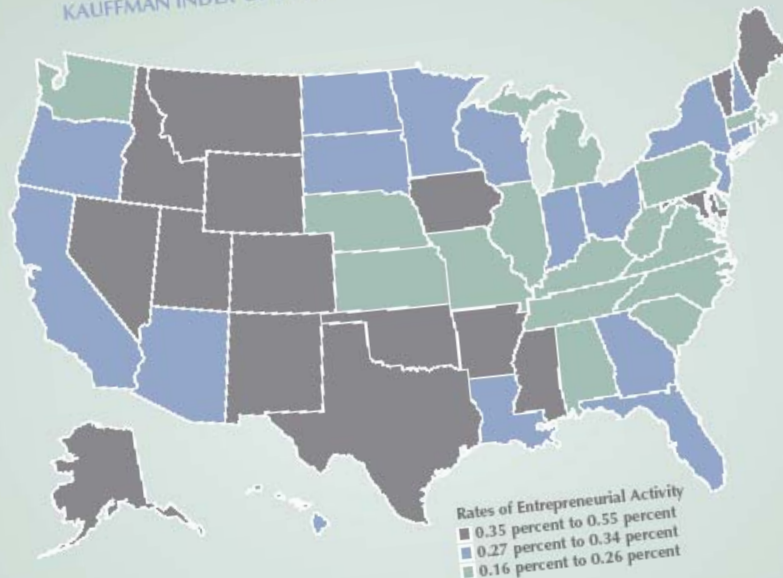
Detroit (160)

Philadelphia (180)

Boston (190)

Seattle (190)

FIGURE 1
KAUFFMAN INDEX OF ENTREPRENEURIAL ACTIVITY BY STATE (2005)



SOURCE: Robert W. Fairlie, University of California, Santa Cruz, using the Current Population Survey.

Sources of Entrepreneurship

- Existing firms
- Universities
- Entrepreneurial motivations
- Frustrations
- Local culture
- Global and local demand
- Networks

Entrepreneurship Principles

1. Foster “incubators”.
2. Consider non-traditional entrepreneurs.
3. Develop a “systems approach”.
4. Focus on 3 M’s
 - Money, Management and Markets
5. Foster networking and linkages.

Regional Collaboration Principles

1. Seek public linkages among local educational, workforce development, and economic development stakeholders
2. Involve private sector (local business and established clusters, entrepreneurs, and financial partners)
3. Think about the intergovernmental context

See: Hackler, “Creating Jobs in America: Case Studies in Local Economic Development”,

http://www.collaborativegov.org/downloads/Creating_Jobs_in_America.pdf



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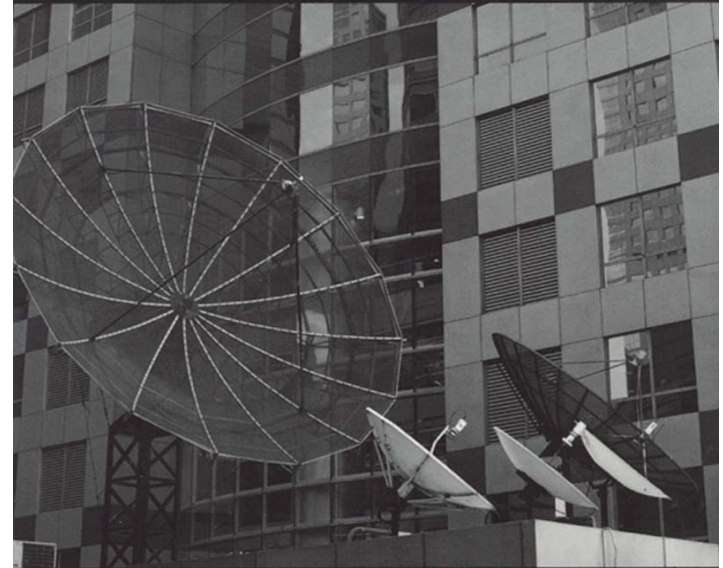
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Thank You!

Cities in the Technology Economy



CITIES AND
CONTEMPORARY
SOCIETY



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M.E. Sharpe (2006)