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in the Knowledge Economy***



Toward A New Politics of Place

from *Making a Place for Community: Local Democracy in a Globalized World*

Gar Alperovitz, David L. Imbroscio and Thad Williamson

Moving a new policy agenda to the next level of development is not simply a question of providing rational arguments or pointing out (as so many have done) the flaws and waste inherent in current policies. A place-based agenda can move forward only if there is visible, vocal political support on behalf of using a modest portion of the extraordinary wealth of this country to secure the underpinnings of the neighborhoods, towns, cities, and regions where people live. While this agenda violates extreme free market dogma, we believe the goal of stabilizing communities has a commonsense appeal that cuts across traditional ideological divisions. In fact, many of the most promising institutional developments we have documented, from the emergence of large-scale employee ownership to the establishment of city-owned enterprises, have garnered support from conservative leaders and elected officials, as well as those on the political left and center. We believe that there is a long term basis for a broad-based and steadily expanding political coalition focused on issues of community economic stability.

The last five years have seen increasing opposition to state and local level job chasing (and corporate welfare in general), local-level mobilization against sprawl and the Wal-Martization of America nationwide, and mass protest and sustained activism against corporate-led globalization and its representative institutions (the WTO, World Bank, etc.). Each of the movements involved in such efforts has aimed to exercise civic control to shape political-economic policies and institutions in a manner that respects

local communities and their residents. The triple threat to American communities, in other words, also points to the possibility of a triple alliance on behalf

A place-based economic policy agenda offers multiple ways for citizens to get involved in bringing economic change to life.

of community economic stability. Members of such an alliance could include not only antisprawl, antisubsidy and anticorporate globalization activists, but also many local business people and the hundreds of thousands of Americans now directly involved in building place-based economic institutions. We believe an alliance aimed at promoting community economic stability could also attract the attention and participation of some of the millions of Americans who, while concerned about the loss of community and excessive corporate power, have nonetheless remained on the sidelines because they have not as yet seen a way to make a constructive political response to the threats facing American communities.¹

Indeed, a place-based economic policy agenda offers multiple ways for citizens to get involved in bringing economic change to life. Implementing such an agenda would surely require support and activity by advocacy groups and traditional citizens' organizations as well as support from top elected officials.

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But it also would benefit from the direct participation of citizens who wish not only to lobby for change but also to take steps themselves to build place-based economic institutions in their own locality. Citizens who push for employee takeovers of firms that threaten to leave, support the efforts of a community development corporation to create local jobs, join a community-supported agriculture organization, help form a land trust, or participate in any number of related activities all make a concrete contribution to the long-term goal of making economic stability a reality in America’s communities. In short, citizens can participate in constructing economically secure communities not only through traditional means of strictly political participation, but also through their own *direct* participation in place-based economic institutions (participation that would, not incidentally, also help build or rebuild networks of social capital and stronger feelings of community and place in general).

In some instances, moreover, first steps toward a general community stability agenda can be taken even in the absence of local institutional change. This is because community stability policies often provide an opportunity to capture resources that are literally being wasted, such as abandoned buildings, unused public facilities, and vacant land in deteriorated urban neigh-

borhoods. Policies to put such resources to use offer opportunities for a payoff to community-based groups as well as business-oriented groups, making possible a broad-based local political coalition on behalf of specific measures that bring uncaptured resources into use. Michigan State University political scientist B. Jeffrey Reno has pointed to a telling example of this phenomenon: the Michigan Urban Homestead Act, signed by governor John Engler in July 1999, as well as companion legislation altering Michigan’s “tax reversion” process. The two bills accelerated the process by which abandoned properties on which no taxes have been paid revert to the state, and then allowed low-income households to obtain the unused land for just \$1. The intended result is more affordable housing, a positive impact on real estate values in neighborhoods less scarred by dilapidated structures (thereby helping local real estate groups), and an increase in tax revenues for the state; the final bill passed overwhelmingly in the Michigan legislature.² While there are limits to how far strategies for capturing wasted resources can be pushed, the Michigan example shows that commonsense measures to make use of currently wasted infrastructure are capable of gaining broad-based political support, starting now.

As we look to the future, the possibility of direct – not simply political – participation in building place-based economic institutions is, we believe, critical. The common depiction of Americans now in their twenties and early thirties is that of a generation uniquely apolitical, a generation overwhelmingly consumed with their private lives and skeptical about involvement in public life. But one striking fact consistently borne out by research into the civic and social habits of Americans cuts strongly against that picture: Volunteerism among young Americans has increased sharply in recent years. The number of college freshmen volunteer-

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Technology-led Economic Development in Michigan

Rex L. LaMore

The promise of technology to aid humankind in meeting our basic needs and releasing us from the drudgery of meaningless toil has been the hope and aspiration of modern civilization. Evidence of our technological cleverness is pervasive in our daily lives, and our potential to actualize a civil society in which our economic and democratic prosperity are assured seems almost within our grasp.

“There are few tools available to state and local governments to realize a reasonable rate of return on their public investments in technology-led economic development.”

Technology-led economic development offers great wealth generation potential for those individuals and communities who are creative, talented, have a modern information technology infrastructure, and have the foresight to plan for the new economy. Many of these characteristics are present in “university towns” where public and private investments in knowledge generation and application have been a long-term priority. Communities with a research and development capacity will likely do relatively well in the knowledge-based, technology-led economy that is emerging globally. However, those communities that don’t succeed as R&D or other high-knowledge centers will probably find themselves competing with the rest of the world to be the cheap labor pool of choice, and thus may join the widening disparity between winner and loser communities worldwide.

While Michigan has a number of public and private higher education/research institutions (depending on how one counts, there are between 116-175 post K-12 education and research facilities throughout the state), many Michigan communities do not have this historic intellectual investment. As a result, for most Michigan communities the strongest economic development opportunities in technology-led development will likely be in the later phases of the innovation-commercialization continuum.

For publicly funded technology-led economic development to have a broad economic impact beyond just creating a few highly-skilled, highly-paid jobs for professionals in gifted communities, economic development practitioners and public policy officials must have a basic grasp of the creative process that supports innovation and commercialization. That creative and commercialization process can be described as the innovation-commercialization continuum.

The Innovation-Commercialization Continuum

conception invention prototype commercialization

Current practice suggests that in the early phases of conceptualizing and prototyping an innovation, it is often critical for the “inventor” to be near a university/research institute where the necessary intellectual mass (human capital), technological infrastructure, financial capital, and creative environment are in place to support the incubation of a new idea/method. However, once the innovation has been prototyped and is ready for commercialization, the routine production of the new “product” can conceivably occur anywhere that a labor force, transportation/information system, business environment, and community amenities are conducive to the production of that “product.” At this point in the continuum, Michigan-incubated inventions can actually shop globally for a production home. It is a rather curious consequence of the technology-led innovation-commercialization continuum that a state or other public institution might make all the initial up-front investments in the innovative process only to see the “pay-offs” in terms of jobs go to other places.

The challenge confronting policy officials in pursuing a publicly funded technology-led economic development strategy is to not only support the elusive creative process but also to insure that the benefits (jobs/revenues) of that process accrue to those communities or public institutions that made the crucial investments in the first place. In a globally competitive environment, this is a particularly daunting task.

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ing at least an hour a week increased by over fifty percent between 1987 and 1998.³

That simple fact – like the outpouring of civic support in response to the September 11, 2001, World Trade Center attack – should remind us that Americans, young and old, are not devoid of social conscience or the capacity to care about their communities. What has been missing are ways to translate the wish to help others into a coherent community-building agenda. National political parties no longer even attempt to offer such a translation or pretend that their policy agendas will solve substantial community problems.

In our view, working to achieve community economic stability – and at the same time reconstructing the basis for a vigorous democracy, starting at the local level – is a purpose that may one day be capable of helping build the basis of a far more powerful, broader social movement.

A social movement committed to valuing place and community necessarily would encompass both locally minded action to root jobs in particular geographic locations as well as advocacy on behalf of broader state and federal policies and redesigning the rules of the international economy. The agenda we have proposed also connects local institutional seeds planted and nurtured by over thirty years of development at the grassroots level with the powerful critique of corporate-led globalization espoused by many important public groups. Our goal has been to sketch a constructive set of policies aimed, on one hand, at containing the triple threat to American communities posed by globalization, internal capital mobility, and suburban sprawl and, on the other hand, at taking a range of positive steps to strengthen community stability directly. Our hope is that those concerned with community, strengthening particular communities, and a reenergized vision of democracy in the United States will find this primer a useful guide as the next generation of policy development, institutional innovation, and movement building goes forward in the first, foundational quarter of the twenty-first century.

Notes:

1. On American attitudes towards corporate power, see Aaron Bernstein, “Too Much Corporate Power?” *Business Week*, September 11, 2000.
2. B. Jeffrey Reno, “A Floor Without A Ceiling: Redevelopment and the Social Production Model,” paper presented at the annual meeting of the American Political Science Association, Washington DC, August 31-September 3, 2000.
3. Robert Putnam. 2000. *Bowling Alone*. New York: Simon and Schuster, p. 265.

Gar Alperovitz, a historian and political economist, is president of the National Center for Economic Alternatives, Senior Research Scientist in the Department of Government and Politics at the University of Maryland, and a Fellow of the Institute for Policy Studies.

David L. Imbroscio is Associate Professor of Political Science at the University of Louisville. His research explores questions intersecting the fields of institutional political economy, normative political theory, and American public policy.

Thad Williamson is a doctoral student in political theory at Harvard University, in the Department of Government. His scholarly interests include theoretical, empirical, ethical and practical questions related to the “political economy of the good society.”

This article was excerpted with permission from Making a Place for Community: Local Democracy in a Global Era (Routledge, 2002).

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Private investors and higher education institutions often seek to secure, through patents and other property rights protections, some rate of return on their investment in innovation. There are few, if any, tools available to state and local governments to realize a reasonable rate of return on their public investments in technology-led economic development, particularly if after the incubation period and during the commercialization of the “product” the production moves to a foreign shore.

Technology-led economic development offers a great opportunity for economic growth and an improved quality of life for a few well-positioned communities. But for many others, isolated rural areas, abandoned or distressed urban/suburban neighborhoods, publicly supported technology-led economic development strategies raise a new set of challenges for practitioners and policy-makers alike. As with the publicly funded economic development strategies of the past, a new set of tools to enhance and secure an improved quality of life, particularly for distressed communities, needs to be developed and implemented. We owe it to ourselves and our posterity to seek out these tools and apply them appropriately.

Rex L. LaMore, Ph. D., is State Director of the Michigan State University Center for Urban Affairs, Community and Economic Development Program.

Building Michigan's Economic Strengths

David C. Hollister

Government remains a powerful catalyst to help cultivate an environment that encourages business and job creation. Michigan has been successful at forging important partnerships and developing economic development initiatives that encourage economic growth. Michigan's economy is more diverse than ever before.

I am pleased that Governor Granholm has asked me to take the helm to lead Michigan's economic direction at this dynamic time. Michigan's existing economic initiatives have served the state well. However, we still need to build on our economic strategy. Creating a better coordinated state effort, encouraging collaboration and building on existing successful initiatives are central to the Governor's plan to move Michigan's economy forward.

As the former mayor of Lansing, I hope to apply our development model statewide. Lansing's many successes would not have been possible without effective collaboration between government, business, labor and education. The city pulled together a series of inclusive and diverse Blue Ribbon Committees to develop a unified and regional approach to improve schools, revitalize the downtown, and keep and grow General Motors for Lansing's future. I will apply this unified approach to other urban centers to help reuse brownfields and make our cities the centers of commerce and culture once again.

As part of the Governor's plan for a more coordinated state effort toward improving Michigan's economy, she has asked that I convene a Council of Economic Advisors. The Council will consist of a diverse mix of business and labor leaders to help advise the Governor on how best to grow the economy in our state. The goal is to create open and honest dialogue to help develop innovative ways to create investment and jobs.

The organization behind many of Michigan's economic successes over the past decade has been the Michigan Economic Development Corporation (MEDC). The MEDC has proven its effectiveness and will continue to maintain its current form. The MEDC will coordinate its efforts with the new department focusing on labor and economic growth. The MEDC will continue to administer and build on



David C. Hollister

many of our state's successful economic development initiatives.

To build on those successful programs and expand our state's high-tech industry focus, Governor Granholm asked the new administration to help her to create a Tri-Technology Corridor. The Corridor will focus on new technology business recruitment and development in three critical areas: life sciences, automotive industry and the emerging homeland security sector.

Michigan has already gained success in the life sciences industry through the Michigan Life Sciences Corridor initiative. Currently, Michigan is among the top ten states in the nation with 325 firms and more than 16,500 life sciences workers. The Governor intends to continue to support the life sciences as part of the Technology Tri-Corridor.

Michigan remains the number one auto producer in the world. The hydrogen fuel cell will be what propels our cars and our future. If we don't embrace this technology, our auto industry could lose its dominance costing Michigan thousands of jobs. The Governor has made a commitment that Michigan's Automotive Corridor will not only help to build the cars of the future, but pioneer the research that will make hydrogen powered vehicles commonplace within the next 20 years.

Michigan has one of the most active international borders in the nation. It has become clear that homeland security is at the top of the agenda of local, state and federal governments. The Homeland Security Corridor will help nurture this emerging business sector to help the critical need for services and products that will help make the nation safer for our families.

Michigan has fared better than many states but we cannot deny that the economic downturn has taken its toll. The economic blueprint that the Governor has proposed for Michigan will bring our state through the storm by expanding our strengths and encouraging an inclusive approach to facing economic challenges. A successful economic development equation includes all of us. I look forward to working with you to move Michigan's economy forward into the 21st century.

David C. Hollister, former Mayor of the City of Lansing, is Director of the Michigan Department of Consumer and Industry Services.

Economic Development Strategies for the New Economy

Rob Atkinson and Paul Gottlieb

As part of its New Economy Project, the Progressive Policy Institute has produced a series of reports documenting how communities are faring in the knowledge economy. The following recommendations are drawn from the April 2001 Metropolitan New Economy Index.

In the New Economy, the ticket to faster and broader income growth is innovation. As markets fragment, technology accelerates, and competition comes from unexpected places, learning, creativity, and adaptation have become the principal sources of competitive advantage in many industries. Enabling constant innovation needs to become the goal of all organizations committed to prospering. Similarly, the goal for metropolitan areas must be to foster innovation and adaptation – in infrastructure, in institutions both public and private, and on the part of individuals.

These efforts need to be proactive and designed for the long term. The consequences for any metro area that does not respond to this challenge are low productivity, stagnant living standards, and reduced opportunity for its citizens.

Innovation and change mean uncertainty and disruption. But it is becoming increasingly clear that dynamism is critical to growth. (You can't have upward mobility if no one is on the move.) The more churning in a metro in terms of new business start-ups and existing business failures, the faster the metro's rate of economic growth. In fact, of all of the indicators in the report, churn is the most strongly correlated with employment and income growth. This means that metropolitan areas need to promote change and innovation, not retard it.

A New Goal: Get Prosperous, Not Bigger

Most metro economies, even big ones, still see getting bigger as the main goal of economic development. It is difficult to see how programs aimed at undifferentiated job growth that are not focused on higher wages or higher-skill jobs can provide more opportunities for the poor than already exist in most metro economies, unless those areas are losing jobs or have high unemployment.

Unfortunately, in most places it is hard to reverse the “go for growth” political juggernaut that remains

on autopilot. A powerful growth coalition exists in most metro areas (e.g., real estate developers, Chambers of Commerce, newspapers and utilities, and economic development professionals) that advocates getting bigger, even if the new jobs pay little and the region is coping with the pains of growth.

A low-cost environment with a poor quality of life is not the ticket to success.

The new goal for economic development, particularly in crowded and expensive metro areas, should be to raise average per capita incomes through higher-wage jobs, while working to reduce poverty and expand opportunity for economically disadvantaged residents, all the while boosting the region's quality of life. This does not mean that regions should oppose growth and erect regulations limiting it; it does mean that most large and mid-size metropolitan areas should not continue to pursue job creation for its own sake.

If, unlikely as it is, productivity growth rates slow significantly in the next decade and unemployment increases, the appropriate goals and strategies might change. But for now and the foreseeable future, economic strategy should focus on raising incomes rather than simply attracting jobs.

A New Means: Get Better, Not Cheaper

A new goal requires new means. In the old economy, places sought to get big by “getting cheap.” In the New Economy, the key to success is to “get better.”

In the New Economy, the path to raising wages and quality of life is in ensuring a technologically advanced infrastructure, boosting the skills of the region's workforce, creating fast and responsive government, ensuring a high quality of life – including

a high-quality physical environment that is attractive to knowledge workers – and developing a responsive, efficient government. This is not to say that fiscal discipline should not be a cornerstone of government in the New Economy. But a low-cost environment with a poor quality of life is not the ticket to success.

In the New Economy, metropolitan areas need to shift their focus from providing tax breaks and other subsidies to investing in the skills of the workforce, a vibrant infrastructure for technological innovation, and a superb quality of life.

A progressive, innovation-oriented metropolitan area policy framework for the New Economy should rest on seven pillars:

Know Your Region's Economic Function in the Global Economy

A region's strategy should grow out of its unique industrial structure, economic assets and limitations, and business culture. Therefore, a region should develop an in-depth and ongoing understanding of its economy, including how the major economic sectors work and what the region's economic strengths and weaknesses are. Too often decision makers think they already know what's going on (e.g., "everyone knows that we are strong in venture capital") and skip this essential stage in the exuberance to "get on with it." But this is a critical mistake. But there is another key step: After it analyzes, a place must organize. Regions should see their economies as clusters of businesses and should communicate with them along the same lines.

Create A Skilled Workforce

In a knowledge economy, in which metropolitan areas increasingly specialize in high-skilled, knowledge-based production, the future prosperity of metro areas stems from how skilled their workforces are. Metropolitan-area governments need to adopt policies to ensure that American companies have the skilled workers they need to be productive, while simultaneously ensuring that American workers have the skills they need to navigate, adapt, and prosper in the New Economy. This requires creating an excellent K-12 school system and a workforce development system that meets the needs of employers and employees in the area.

Creating a Skilled Workforce

K-12 School Reform

Hold all students to high standards.
Adopt sensible public-school choice policies and promote charter schools.
Use technology correctly.
Pay for performance and weed out poor teachers.
Create math and science charter high schools specifically focused on serving disadvantaged students.

Workforce Development

Co-invest in industry-led regional skills alliances.
Fundamentally reorganize programs funded under the 1998 Workforce Investment Act.
Create a metropolitan-wide workforce development system.

Invest In An Infrastructure For Innovation

Innovation drives productivity growth in the New Economy. As a result, if metropolitan areas want to boost the incomes of their residents, embracing technological innovation is the path. And technology jobs are not just in Silicon Valley. In fact, the fastest growing high-tech areas of the country are places like Lancaster, Pennsylvania., and Boise, Idaho.

Metropolitan areas can do several things to foster technological innovation, including:

- Support research universities.
- Support technology commercialization programs.
- Encourage a modern telecommunications infrastructure.
- Expand access to the Internet.

Create A Great Quality Of Life

Because in the New Economy a skilled workforce is the most important factor of production, the location of knowledge workers is a key factor determining a place's economic success. It used to be that workers moved to where companies were locating. In the New Economy, increasingly companies look to locate where knowledge workers live. Because they are in greater demand and have some ability to be picky about who they work for and where they work, knowledge workers can afford to choose locations that provide more than just a good job with a good income. There are numerous factors that go into making a region attractive to knowledge

“Strategies,” continued from page 7

workers, but one of the most important is quality of life. Most metropolitan areas face a number of challenges in creating a great quality of life, including amenities, crime, and transportation.

Foster an Innovative Business Climate

In the old economy, a good business climate meant low costs. In the New Economy, a good business climate means a climate conducive to innovation. There is one more traditional aspect of the business climate that deserves attention, and that is the land transfer and redevelopment process. In most cities, particularly older central cities, this is a major barrier to the redevelopment and adaptation of the old city. Cities need to reinvent and streamline their land processes if they are going to have a functioning real estate market. This is particularly critical if they are to compete for certain segments of the tech sector that require speed in their purchase and construction (or reconstruction) of properties.

Reinvent and Digitize Government

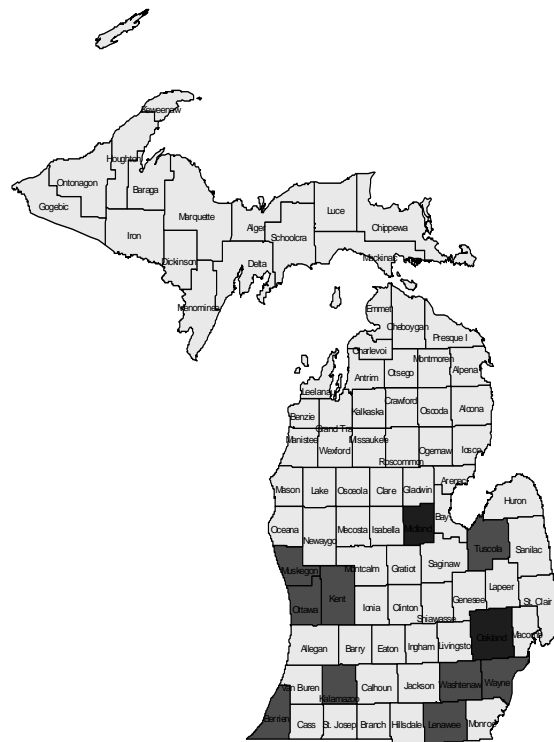
In too many regions, local government remains rooted in old economy bureaucracies formed in the 1940s and 1950s, with strict civil service rules, inflexible and extensive regulations governing what it can and cannot do, and few incentives affecting performance. Governments that succeed in the New Economy will be entrepreneurial and innovative; rely heavily on information technology and the Internet to accomplish their missions; break down the walls between government and its citizens; rely on performance standards and accountability; reform civil service; foster high-quality and timely delivery of public services; revise their actions based on regular feedback from citizens; and partner with a host of public and private organizations to accomplish their public mission.

Metropolitan areas should be on the forefront of providing government services online. The motto “online, not in line” should guide local efforts to use digital technologies. A large share of local government functions can be conducted online, such as paying parking tickets, checking deeds, reviewing

“Strategies,” continued on page 12

Mapping

The Knowledge Economy Research Center is preparing a “digital atlas” of maps of the State of Michigan. This atlas will be available at www.smartmichigan.org.



Patents by Population, 2002

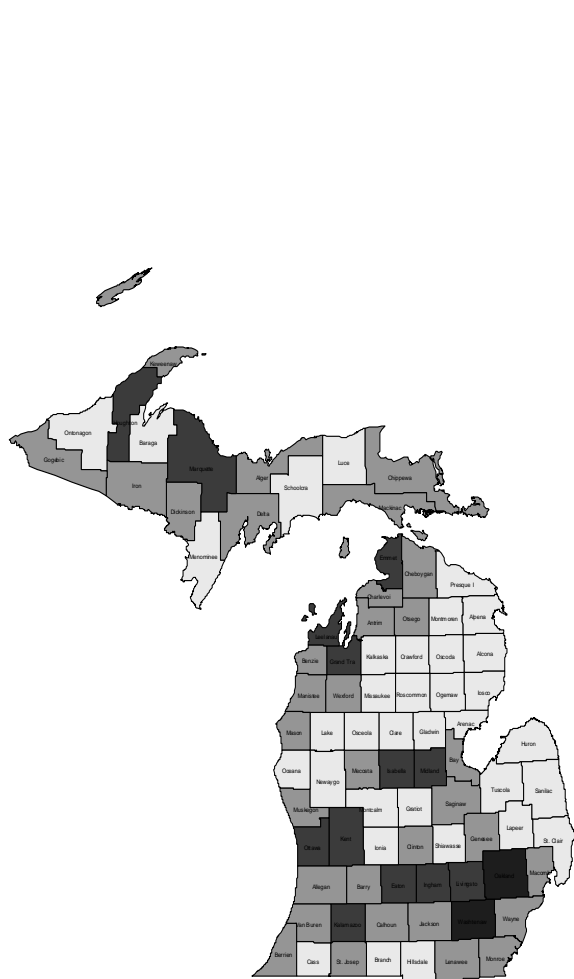
Developing intellectual property is an important process in the knowledge economy. The number of patents issued are one reflection of an economy’s generation of intellectual capital.

This map shows the number of patents per capita for Michigan counties. Darker shades indicate higher proportions.

Sources: U. S. Patent and Trademark Office; U. S. Census Bureau

Michigan's Knowledge Economy

Research Group at the Michigan State University Center for Urban Affairs is currently developing a series of maps depicting key characteristics of the knowledge economy as it affects the state. The maps will be available this summer on the Smart Michigan website,

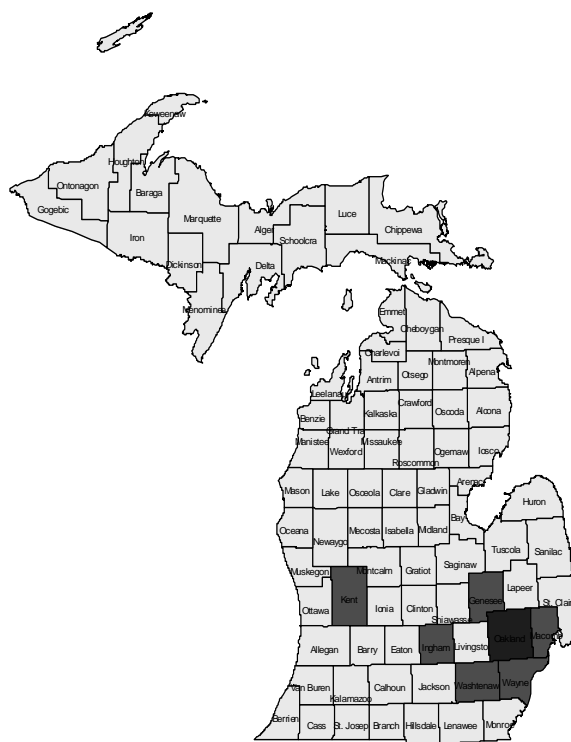


Workforce Education by Population, 2000

In a knowledge economy, a well-educated labor force is critically important for community success.

This map demonstrates the proportion of the workforce in each county that has at least a bachelor's degree. Darker shades indicate higher proportions.

Source: U. S. Census Bureau



High Technology Jobs, 2000

Jobs in high technology industries represent some of the high-wage, high-skill jobs that are made available in communities that successfully compete in the knowledge economy.

This map demonstrates the number of jobs per county in key industrial classifications that represent high-tech industry, including information technology, life sciences, and advanced manufacturing. Darker shades indicate higher proportions.

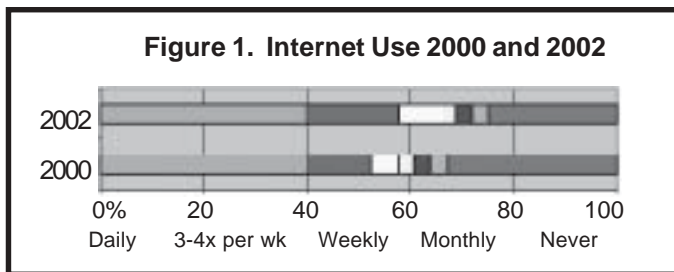
Source: U. S. Census Bureau

Internet Access and Use in Michigan

Mark Wilson

Introduction

Internet access and use is increasing across the United States and Michigan, and for many people it has become a common element of their work and daily lives. At the same time that the Internet is becoming mainstream, there remain groups and locations that are not actively utilizing this technology. While use of the Internet should not be mandated or required for those who have no interest in the technology, we must strive to provide opportunities for access and use for those who currently cannot gain access.



This report addresses Internet access in Michigan, drawing from a survey of 989 Michigan residents conducted in October/November 2002. The survey asked how often respondents used the Internet, with this information further detailed in terms of demographic factors and geography. The survey was conducted by the Office of Survey Research, Institute for Public Policy and Social Research, at Michigan State University.

Internet Access in Michigan

In Fall 2002, the Internet was widely used in Michigan, with almost 40% of those surveyed reporting daily access, and another 17.9% online three to four times a week. While close to 60% of those surveyed were regularly online, almost a quarter of the population stated that they had never accessed the Internet. Increasing accessibility is evident through comparison to our 2000 survey (presented in Figure 1), with those online at least three to seven times weekly increasing from 52.4% to 57.8%, and those who have never been online decreasing from 32.7% to 24.8%.

Survey results for 2002 are presented in Figure 2, with the following findings of note:

- Men (44.4%) were more likely than women (36.0%) to be daily users of the Internet, but this

difference decreased when daily and 3-4 times a week use is aggregated so that frequent use of the Internet narrowed between men (58.7%) and women (56.9%). The rates for those who have never been online were similar for men (23.9%) and women (25.7%).

- Frequent use of the Internet (3 times a week to daily) was highest for Republican respondents (72.3%) followed by Independents (57.2%) and Democrats (44.8%). The rate for those who had never been online was highest for Independents (30.9%), followed closely by Democrats (28.8%) and much lower levels for Republicans (14.3%).
- Clear differences emerge in terms of Internet use and race or ethnicity. 60% of white respondents were online frequently (daily to 3 times a week), with a much lower rate for African Americans (36.9%). The rate for those never online was similar across race, with 24.5% of whites and 28.2% of African-Americans never accessing the Internet.
- Hispanic respondents in Michigan were online daily at a rate similar to the total population, but when daily and 3-4 times a week are combined, only 43.7% of Hispanic residents would be classified as frequent users. Hispanic residents also report a very low rate for never being online, 12.5%, with the profile for this group showing a greater range of occasional uses of the Internet compared to the survey average for Michigan.

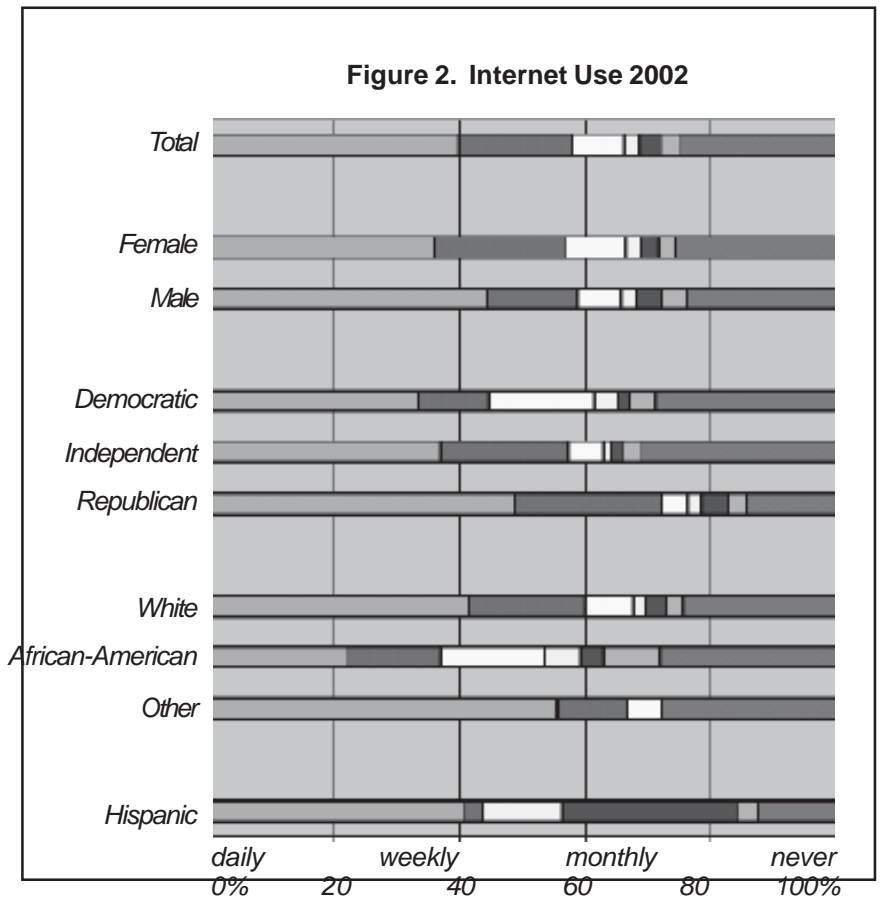
The survey also allows analysis of Internet access in terms of income, education, and age.

- Comparing access by level of income shows a clear association between increasing income and increasing rates of access to the Internet. There is also a corresponding decline in the population of those never online as income increases. The highest rates of use occur for those earning over \$70,000, with half of those earning over \$40,000 reporting daily use. In contrast, three-quarters of those earning less than \$10,000 have never been online.

Internet access is also divided across education levels, which are associated with income in that higher levels of education correlate with higher incomes on average.

The age profile for Internet use changes for different age groups, currently peaking for those surveyed in the thirties and forties. Additional age related findings include:

- While young people are often presented as the major users of the Internet, they are not online as frequently as other age groups. Close to 60% of respondents aged 18-29 are online 3-7 days a week, increasing to three-quarters of those in their 30s, and declining slightly to almost 70% of those in their forties.
 - Older residents of Michigan were also using the Internet, with over 60% of those in their fifties online frequently and over 40% of those aged 60-64 years. The lowest rate of use was reported by residents aged over 65 where less than a quarter would be online frequently.
 - Those reporting that they had never accessed the Internet ranged from only 2.4% of those aged 24-29 years to 68.1% of those aged over 65 years.
- The final dimension analyzed in the survey was Internet use across Michigan's regions. The summary of results is presented in Figure 6, including:
- High levels of daily use were reported in the Upper Peninsula and the southwest of the state, where half of those surveyed used the Internet daily. The lowest rate of daily use occurred in Detroit where a little over a quarter of those surveyed reported daily access.
 - The highest levels of frequent use (3-7 days/week) exceeds 60% of those surveyed in southwest and east central Michigan followed closely by the Upper Peninsula and southeast Michigan. The least frequent use occurred in Detroit where 40.5% were online 3-7 days a week.
 - Regions with high populations who have never been online include the northern Lower Peninsula (32.8%), the Upper Peninsula (28.1%) and Detroit (27.2%)



Conclusion

The 2002 survey of Internet use in Michigan showed positive movement in use over findings for 2000. At the same time, digital divides emerged for a number of measures of Michigan society, such as gender, political identification, race and ethnicity, income, education, age and region. These results establish that divides exist. Those most likely to be online are well educated and affluent, while those never online tended to have lower levels of educational achievement, lower incomes, and tended to be African-American or older Michigan residents. These results serve as a reminder that as the Internet becomes a common element of mainstream life for many in Michigan, there remain many who may lack the means to be online, or who find that the information they seek is not provided via the Internet.

Mark Wilson is an Associate Professor of Geography and Urban and Regional Planning at Michigan State University.

“Strategies,” continued from page 8

tax records, and getting information on school performance.

Creating region-wide digital government will require changes to public budget systems, so that agencies can make the up-front investments in technology (or partner with private-sector companies that are paid out of realized savings) needed to achieve the longer-term paybacks in the form of lower costs. Currently, most local government agencies have little opportunity or incentive to devise or implement cost-saving technologies, because it simply reduces their budgets.

Take Regional Governance Seriously

Supporting regional governance does not necessarily mean unified consolidated regional governments along the Toronto line, or tax-sharing schemes. But it does mean much higher levels of collaboration. Saying that the public, private, and nonprofit sectors and all local governments in a metropolitan area must work together is, of course, easier than doing it. It helps to have a crisis, a long tradition of collaboration, or a new model of civic leadership that excites and motivates key stakeholders. It also helps to have key corporate leaders, particularly in the high-tech sector, do more than just pay lip service to helping solve pressing regional problems. In the New Economy, successful metropolitan areas and regions will create collaborative networks that craft and implement innovative solutions to policy problems, placing the public interest above a narrow interest in maintaining the status quo.

Metropolitan areas should form economic policy councils that bring together key leaders in business, government, labor, civic groups, and higher education to provide in-depth analysis of the economy, develop creative economic strategies, and build widespread consensus for action.

Conclusion

The New Economy is here to stay – there’s no going back. It brings enormous potential to boost the well-being of the residents of metropolitan areas, but also introduces challenges. If metropolitan areas do not invest in a knowledge infrastructure – world-

class education, training, and technology – companies will not have the skilled workers and cutting-edge tools needed to create higher-paying jobs. If they do not solve pressing quality-of-life issues, they will not be attractive to knowledge workers. And if Industrial Age local governments do not transform themselves into Information Age governments, they will impede, rather than advance, growth. Simply put, metropolitan areas that meet the challenges of the New Economy – focusing on innovation, learning, and constant adaptation – will be the ones that succeed and see the incomes of their residents grow the most.

This article is an abridged version of the Recommendations section of the Metropolitan New Economy Index, published in April 2001 by the Progressive Policy Institute and available online at www.neweconomyindex.org/metro.

Robert D. Atkinson is vice president of the Progressive Policy Institute and director of PPI’s Technology and New Economy Project, where he was the lead author of The New Economy Index and The State New Economy Index.

Paul D. Gottlieb is one of the nation’s leading experts on metropolitan economic development. For the past seven years, he has advised public and nonprofit leaders in Ohio as associate director of the Center for Regional Economic Issues, Case Western Reserve University.

MSU Honors Resident Leadership Fellows

In a June 13 ceremony at the Kellogg Center in East Lansing, the Public Housing Institute of the Michigan State University Center for Urban Affairs recognized ten new Housing Fellows and two MSU Fellows from seven communities across Michigan. These individuals received this distinction after successfully completing an eight-month training program and applying their new knowledge and skills to improve conditions in their local communities. The twelve join 23 Housing Fellows selected in 2001 and 2002.

Sharonda Addison – Albion
Jackie Allen – Bay City
Elizabeth Anderson – River Rouge
William Bundy – Muskegon
Brenda Gunn – Detroit
Tabitha Kelly – Benton Harbor
Ron Millard – Bay City
Stannetta Rider – Albion
Michael Scott – Albion
Maxine Sheehan – Bay City
William (Sam) Stephens – Muskegon Heights
Eunice Tyson – Benton Harbor

New Reports on the Knowledge Economy

Deanna Rivers-Rozdilsky

The Knowledge Economy Research Group at Michigan State University's Center for Urban Affairs recently released four reports on economic development in the knowledge economy. All are available online at www.smartmichigan.org.

***Electronic Commerce and Digital Opportunity for Local, Urban, and Regional Development Planning* by Kenneth E. Corey**

Creatively taking the dot.com approach to new dimensions, this primer is both a practical guide and an in-depth overview of e-commerce opportunities and applications, explicitly for economic development and urban and regional planning professionals. Drawing from Information and Communication Technology (ICT) initiatives at the global level, Dr. Corey outlines how new digital horizons can be explored by urban and regional planners anywhere in the world as well as across various sectors. A foundational question of the paper is how can e-commerce be used to reduce the digital divide and other disparities locally? Corey also includes examples of trends and headlines of leading initiatives, infrastructure, financing and investment, regulation, human resources and training, culture and political economy, as well as sector trends – not to mention local applications and case studies.

***An Examination of Government-Led Broadband Infrastructure Initiatives in Michigan* by James C. Breuckman**

Survey says: In a world surfing the net, Michigan is still trying to catch the wave of a digital future. An electronic readiness survey of Michigan's planning regions indicates that Michigan policy makers need to know much more about communication technologies (ICT). Namely, how they can be strategically used to advance local economic development so that regional organizations can help close the digital divide and participate more fully in the Information Age. Breuckman explains the results of this survey in light of several case studies, as well as the place of government in providing telecommunication infrastructure and services, such as broadband access. Breuckman brings best practices to the fore to display the strengths and weakness of different approaches and to stimulate pro-active planning of ICT in our local, regional and state governments.

***Michigan's Windows to the Global Knowledge Economy: A County and Regional Level Web Site Analysis from an Economic Development Perspective* by Karan Singh**

How can Michigan economic development practitioners and planners be more competitive in the knowledge economy? This occasional paper demonstrates the importance of understanding web-based communication as it pertains to the knowledge economy with an analysis and classification of Michigan's economic development agency websites. Utilizing data at the county level among 14 regions, Singh provides a framework to understand Michigan's communication of the knowledge economy. Utilizing the classic categories used in communication research of how technology is adopted – leaders, contenders, followers, and laggards – the research provides data to better map our progress in Michigan. The purpose of this paper is to create awareness and stimulate improvements among Michigan's economic development planners and others, as well as provide an understanding of Michigan's role in the knowledge economy.

***A Comparative Analysis of State Government Support of Regional Planning and Other States Nationwide* by Bradley M. Sharlow and Prabodh Ballal.**

How does the support of Michigan's regional initiatives compare to other states? Utilizing a multi-state analysis, Sharlow and Ballal provide a comparative historical analysis of funding and policy for Regional Planning Agencies contrasting Michigan with other states. This paper explains federal legislation that promotes regionalism, the emergence of regional planning in Michigan, the history of regional funding from the State, and the current state of Michigan's regions. The study includes examples from the states of Florida, Iowa, Kentucky, North Carolina, Ohio, Oklahoma, Tennessee, and Virginia. The report discusses the importance of the Regional Planning Grant and how regions play a vital role in the connection between state and local governments.

Deanna Rivers Rozdilsky is a doctoral candidate in Resource Development at Michigan State University.

Michigan's Top Online Local Government Sites

Since 1999, Cyber-state.org has routinely conducted local government Web site assessments, using the Website Attribute Evaluation System (WAES) developed by the Cyberspace Policy Research Group. The following rankings for Michigan's municipal Web sites are based on the most recent WAES assessments.

Top Cities and Villages

- 1. Sterling Heights, City of (Macomb Co)** www.ci.sterling-heights.mi.us
The City of Sterling Heights moves up from a number nine ranking in March 2002 to number one. The site allows its local citizens and contractors to apply and pay for permits online and view parcel information, and invites its site visitors to complete a "cyber survey" to report on their quality of service. The city offers a content-rich site with a number of different types of mailing lists to subscribe to. It provides a virtual city hall, makes an active effort in keeping citizens and users of the site informed and up-to-date with current events, and plays an active role in keeping the site current in both content and technologies.
- 2. Lansing, City of (Ingham Co)** cityoflansingmi.com
Strong IT strategy and goals; up-to-date traffic information, good demonstration and usage of "disclaimers" and "privacy statements." Citizens can register their bikes online or register online for classes through the Parks and Recreation department.
- 3. Grand Rapids, City of (Kent Co)** www.ci.grand-rapids.mi.us
The City of Grand Rapids site contains professionally organized access points for their information. The strength here is in its dissemination of operational and organizational information. Special features include ability to report a pothole, a kids page, and multiple ways to communicate with city officials and staff.
- 4. Saint Clair Shores, City of (St. Clair Co)** www.stclairshores.net
Saint Clair Shores has government access channel schedules, current reports and events on its site. It even offers a live webcam image from the St. Clair Shores City Marina (updated every five minutes). Good "Web site help" page that offers instructions on how to use the site, information about the pictures on the site, how to use the search engine, and about the navigation.
- 5. East Lansing, City of (Ingham Co)** www.ci.east-lansing.mi.us or www.cityofeastlansing.com
East Lansing demonstrates a nice style of delivering their information for a larger city. The site provides current news and events on the front page and quick navigation links to the right side of the page. Each department consistently provides contact information, e-mails, mission statements, and other relevant operational/organizational content. Good Web site policy.
- 6. Marquette, City of (Marquette Co)** www.mqtcty.org
- 7. Oak Park, City of (Oakland Co)** www.oakpark-mi.com
- 8. Alpena, City of (Alpena Co)** www.alpena.mi.us
- 9. Port Huron, City of (St. Clair Co)** www.porthuron.org
- 10. Troy, City of (Oakland Co)** www.ci.troy.mi.us
- 11. Alma, City of (Gratiot Co)** www.ci.alma.mi.us
- 12. Detroit, City of (Wayne Co)** www.ci.detroit.mi.us
- 13. Grand Haven, City of (Ottawa Co)** www.grandhaven.org
- 14. Novi, City of (Oakland Co)** www.ci.novi.mi.us
- 15. South Haven, City of (Van Buren Co)** www.south-haven.com
- 16. Traverse City, City of (Grand Traverse Co)** www.traverse.com/traversecity/
- 17. Farmington Hills, City of (Oakland Co)** www.ci.farmington-hills.mi.us
- 18. Livonia, City of (Wayne Co)** www.ci.livonia.mi.us
- 19. Northville, City of (Wayne Co)** www.ci.northville.mi.us
- 20. Rochester Hills, City of (Oakland Co)** www.rochesterhills.org

Top Counties

- 1. Washtenaw** www.ewashtenaw.org
Washtenaw County is in its third year as the number one online Michigan County. The site is well organized, comprehensive, and easy to use. Its content organization by function, service, and end-user perspective adds efficiency in finding information. The organizational commitment and support for e-government and department participation in content development is evident throughout the site.
- 2. Jackson** www.co.jackson.mi.us
Each department provides a complete listing of personnel contact information, including e-mail, and supplies relevant information for services and ordinances. Clean interface, intuitive navigation, and consistent organization of information gives this site its professional look and feel. Jackson County moves up eight spots from the 2000/2001 ranking.
- 3. Saginaw** www.saginawcounty.com
This site provides a clear statement about Web site accessibility compliance. Providing multiple ways to access information, via a drop-down menu, the textual menu at the bottom of the page and the graphic-text navigation located on the left side of the page supports ease of finding information for end-user. Overall organization of information and offering the amount of information places Saginaw at a higher ranking than it's had since the WAES ranking began in 1999.
- 4. Kent** www.co.kent.mi.us
Kent County's Web site, accessKent, is well organized in a usable format that provides easy access and navigation to content.
- 5. Kalamazoo** www.kalcounty.com
Kalamazoo County provides a clean interface that supports ease of use. Based on cyber-state's March 2002 WAES assessment, it has improved its Kalamazoo Area Links section by providing links to all of Kalamazoo County townships and cities and villages that are online. Multiple points of access to this information are provided through the community directory.
- 6. Livingston** www.co.livingston.mi.us
- 7. Marquette** www.co.marquette.mi.us
- 8. Oakland** www.co.oakland.mi.us
- 9. Gratiot** www.co.gratiot.mi.us
- 10. Midland** www.co.midland.mi.us

Top Townships

- 1. Delta Charter (Eaton Co)** www.township.delta.mi.us
Delta Charter Township has used the WAES as a self-assessment mechanism to enhance their Web presence over the years. The site is well organized, provides easy to use navigation features, and a "privacy statement" to maintain the integrity of its site's visitors.
- 2. Clinton Charter (Macomb Co)** www.clintontownship.com
Citizens can subscribe to an electronic newsletter, press releases, and more via Clinton Charter's Web site. Good graphical representation of site categories. The site provides a large amount of easily accessible information.
- 3. Hamburg (Livingston Co)** www.hamburg.mi.us
Hamburg Township's site provides GIS services, feedback forms, newsletters, and much more for their citizens. Although the site is graphically "heavy," the content is readily available and accessible.
- 4. Plymouth Charter (Wayne Co)** www.plymouthtwp.org
This web site has a front interface that loads quickly, fits in a computer screen's view, and offers the primary navigational elements for the site — all good practices for front-end interface design. The site provides consistent navigation, an electronic mailing list option, a number of forms and permits are available online, and more.
- 5. Waterford Charter (Oakland)** www.twp.waterford.mi.us
Waterford Charter Township provides interactive GIS maps that the end user can customize or view by parcel, voting district, or zoning district. Site currency is up-to-date and information is organized in an easily accessible manner via the front-end interface or the site map.
- 6. Redford Charter (Wayne Co)** www.redfordtwp.com
- 7. Shelby Charter (Macomb Co)** www.shelbytwp.org
- 8. Bloomfield Charter (Oakland Co)** www.bloomfieldtwp.org
- 9. Van Buren Charter (Wayne Co)** www.vanburen-mi.org
- 10. Independence Charter (Oakland Co)**

For complete results of Cyber-state.org's "Michigan's Online Local Government" report, visit www.cyber-state.org or contact Program Manager Allison Brueckner at (734) 302-4747.