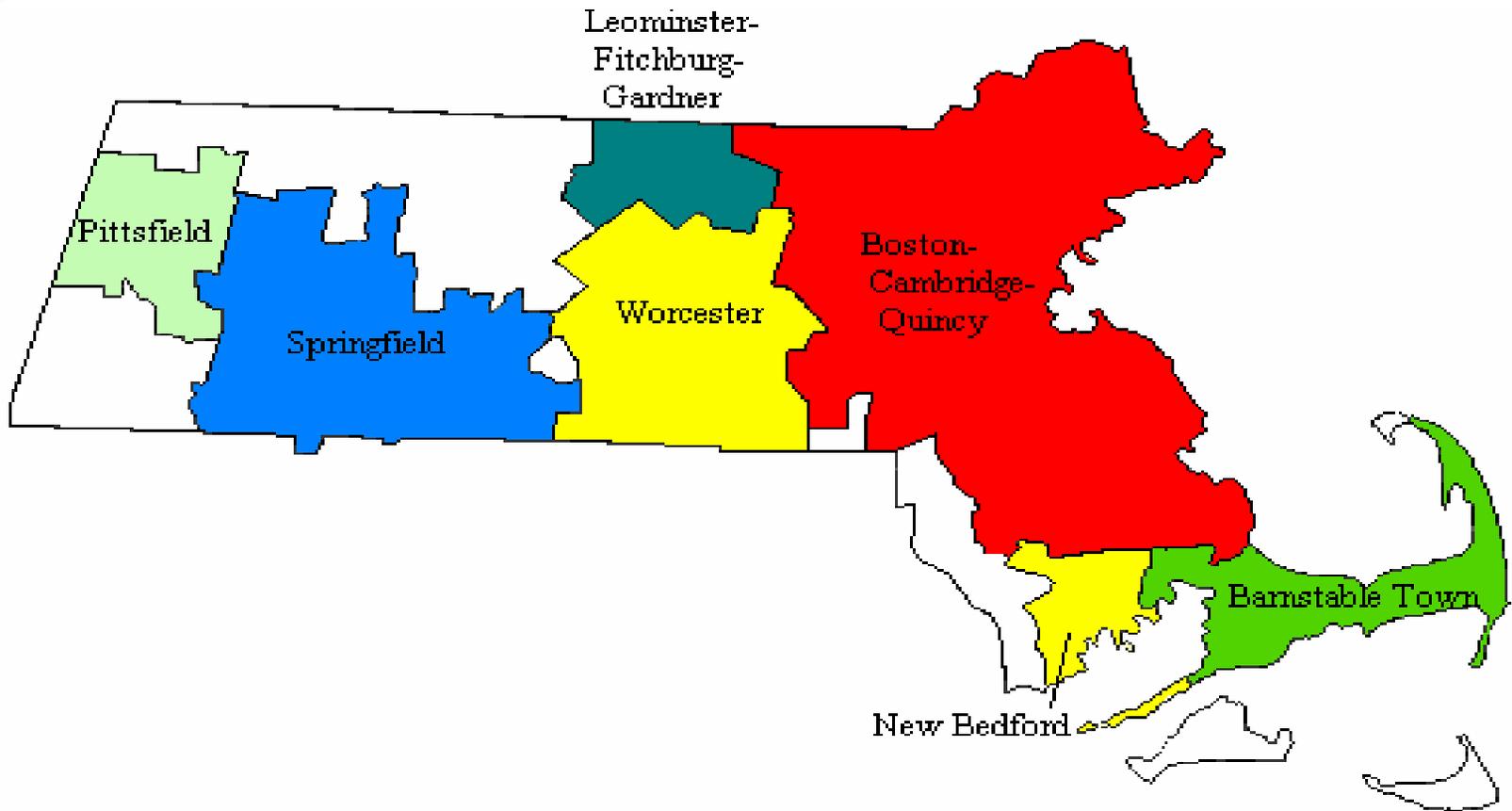


Geography of Economic Development

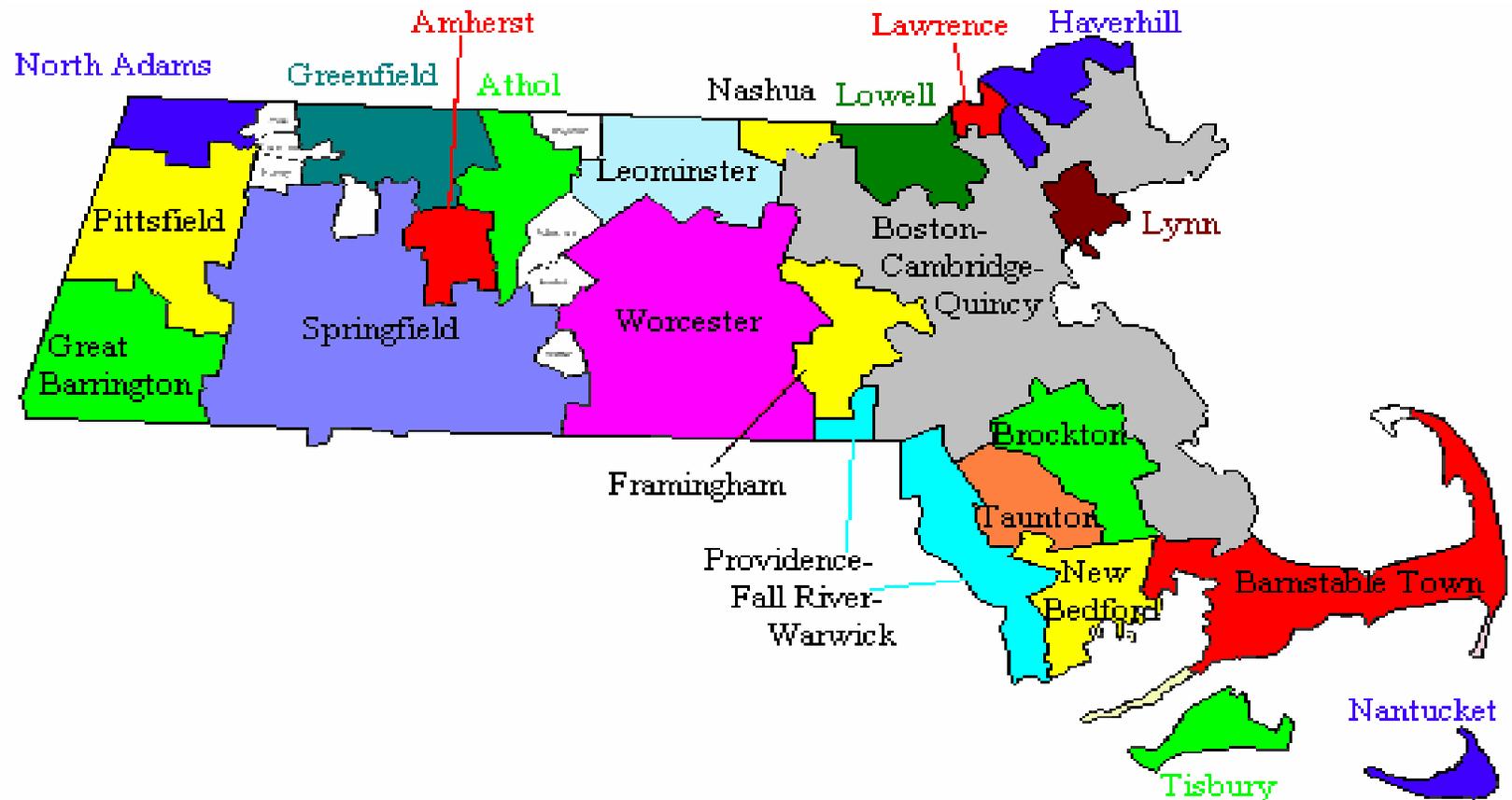
- Metropolitan areas are the primary basis for economic regions
 - Commuting patterns where people live and work
 - Often organized around a central city
 - Metropolitan Statistical Areas & Labor Market Area
- Economic activity & growth concentrated in metropolitan regions
- Economic composition and performance varies across metro regions
- Linked economic well-being and economic cycles among cities and their suburbs

Massachusetts Metropolitan Areas



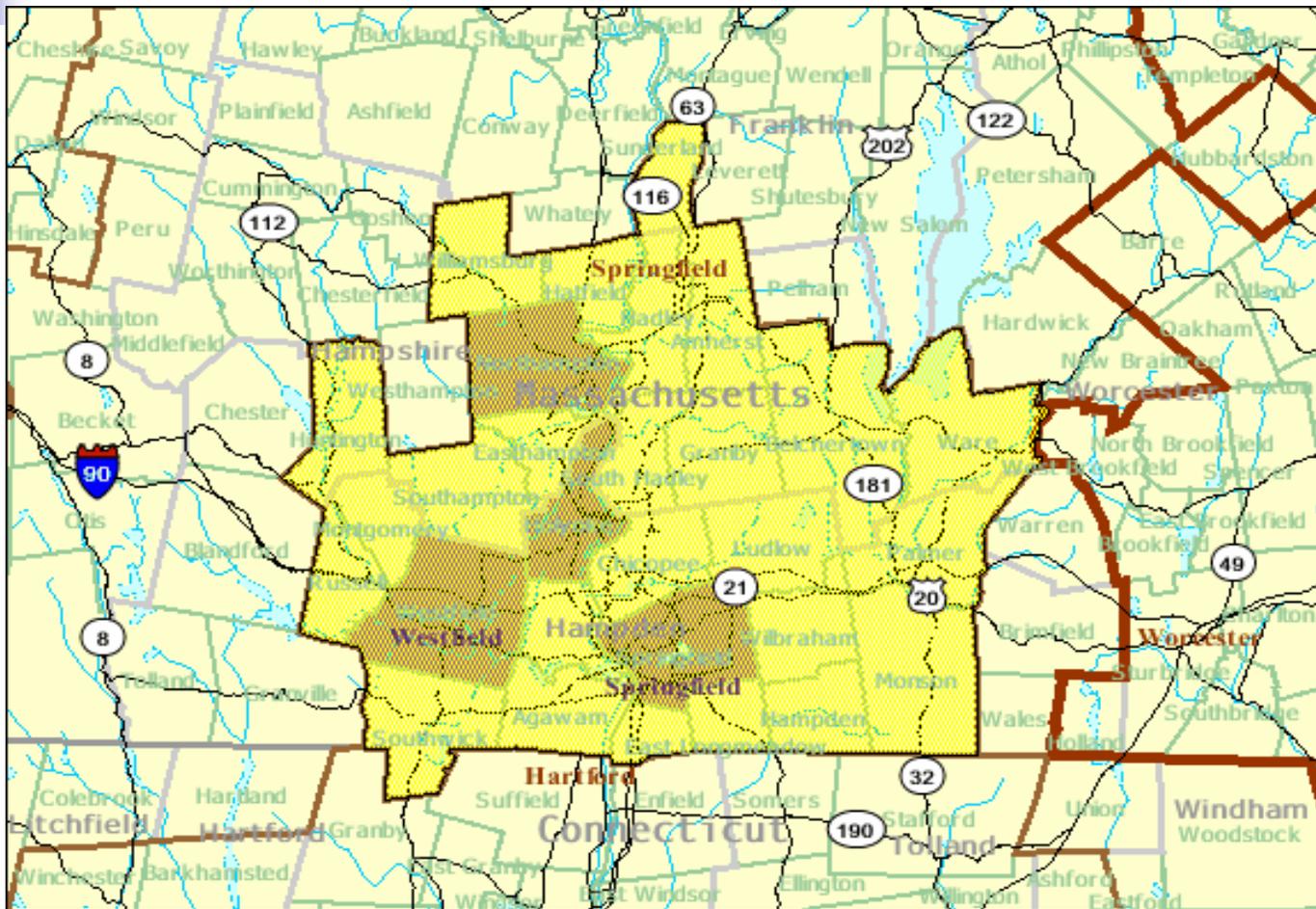
Data courtesy of U.S. Census

Mass Labor Market Areas



Data courtesy of U.S. Census

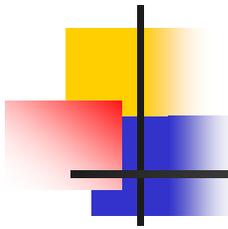
Springfield Primary Metropolitan Statistical Area (PMSA)





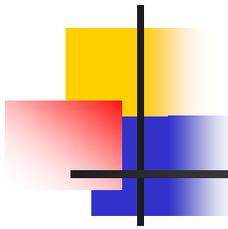
Springfield MSA Employment

- 254, 000 jobs in 2004
- Largest Sectors (54%)
 - Health Care 43,000
 - Education 34,000
 - Retail 32,000
 - Manufacturing 29,000



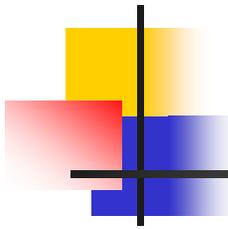
Major Theories

- Economic Base Theory
- Regional Growth Theory
- Product Life Cycle
- Entrepreneurship
- Flexible Production
- How do these theories help us think about and plan for the North End?



Economic Development Theories

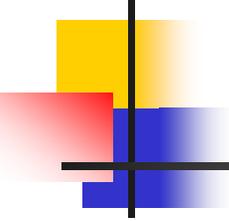
- What is economic development-how do we measure it?
- What are the drivers or generators of economic development?
- What explains differences in economic performance across regions?
- What do theories suggest for economic development strategies and practice?



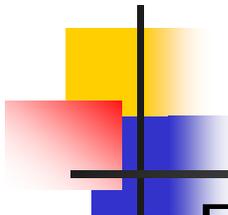
Economic Base Theory

- Export (base) industries are the generators of regional income and growth
- Multiplier process links export income and output to local (non-base) industries
- Focus is on firms and industries that respond to external demand
- Implications for planning & practice?

Extensions of Economic Base Theory

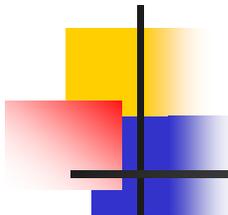


- Staple theory: support (public) investments and industries linked to a key export stable to drive evolution of base economy
- Sector theory: economies evolve by sector from rising productivity and income. Shift from primary to secondary to tertiary over time



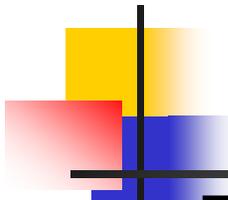
Regional Growth Theory

- Extension of neo-classical economic and Keynesian model to regional economies
- Supply orientation: capital investment, labor & technology expand output via markets
- Endogenous growth theory: regional spillovers increase productivity, exports and outputs to create and reinforce higher growth
 - Uneven regional growth, sustained advantages
- How can planners foster spillover benefits.
- Can these operate at a neighborhood scale in the North End?



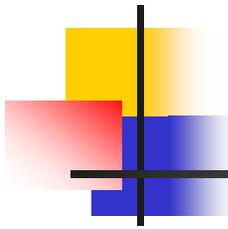
Product Life Cycle

- Focus on the dynamics of development
- Links growth to the evolution of products, industries, and functions
- Industries evolve spatially by product phase
 - New product innovation in skilled/developed regions
 - Product diffusion and maturity-initial branch plants
 - Standardization – relocation to low cost regions
 - Decline/Obsolescence – loss of production/employment
- Regional roles as innovator or producer
- Implications for regions and neighborhoods?



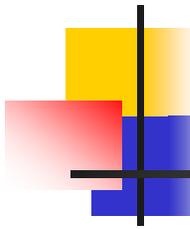
Entrepreneurship

- Focuses on the individuals as initiators/organizes of economic activity
- Growth via new venture or value creation by entrepreneurs
 - Exploiting market gaps and opportunities
 - Driving productivity improvements
 - Innovating with new products/processes
- What shapes entrepreneurial activity?
 - Personality or environment?
 - Can it be taught or nurtured?



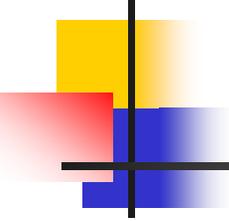
Flexible Production

- Alternative to mass production in which networks of small firms adapt quickly to new markets and technologies
- Emphasizes small firms' role in innovation, inter-firm relationships, linkages to supporting institutions
- Clusters or networks of related firms as unit for program and policy intervention



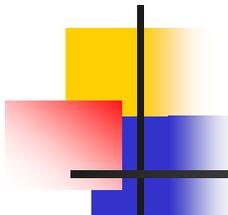
Integrating/Common Themes

- Supply-side orientation of most economic development interventions
- Dynamic process-importance of on-going improvement, innovation, managing change
- Key role for development agents-entrepreneurs, “infrastructure” building institutions
- Functional specialization: enterprise and labor capabilities as a way of defining economic region
- Notion of developmental industries as well as export and local ones
- Economic competitiveness as a unifying theme?



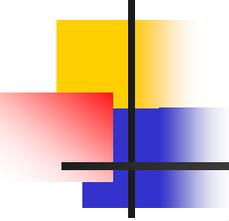
Application to

Neighborhoods/North End?



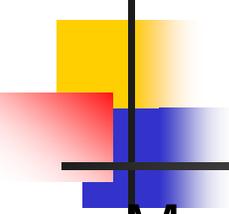
Neighborhoods & Regions

- Economic roles of urban neighborhoods
 - Source of local and/or regional work force
 - Location for businesses and production
 - Local community-oriented retail & service
 - Part of a regional center destination
 - Producers & suppliers in key export industries
 - Source of developmental assets



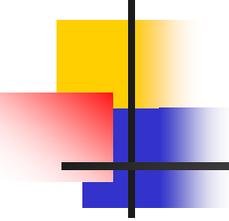
Linking Neighborhoods to Regions: Practice

- Novak's view/critique of community development
 - Over-emphasis on real estate & social services vs. poverty alleviation; local orientation
 - Focus more on employment to raise incomes, reduce poverty
- Alternative
 - Regional perspective
 - Active labor market role
 - Institutional connections



Linking Neighborhoods to Regions: Processes

- Market mechanisms –
 - Impact of demand and supply factors (e.g. competitive position of neighborhoods)
 - Impaired by weak structures and market imperfections
- Capitalist accumulation
 - Neighborhoods reflect class divisions & contribution to profit making
- Industrial change & corporate decisions
 - Spatial impact of industrial change & business strategy
 - Labor force skills and connection of residents
- Political process—change policy, public investment, development, negotiate community benefits



Regional/Neighborhood Framework

- Advance region to more competitive and productive economic activities
- Help neighborhood (and residents) gain more productive/higher income activities within region
- Promote more balanced and equitable distribution of economic activity, investment and asset ownership within region
- Developmental capacity to maintain and improve economic outcomes over time—at regional and neighborhood scale.