

## *Small Towns as Global Cities*

### *Character Towns are Attractive to New Economy Businesses*

#### **CHARACTER TOWNS HAVE GLOBAL APPEAL.**

There are two well-established organizations that operate throughout the world independent of their national affiliation: the global city and the multi-national corporation. Global cities, while bound physically within a nation, transcend this anchor with imagination and infrastructure. Global cities are economic development machines connected to their value-added counterparts around the world. They continue to prosper with innovations that progressively diminish the relevance of their national, state and provincial borders and governments...think New York, London and Tokyo.

Multi-national corporations, less place-bound than global cities, trade in the world with intense ease verging on impunity. Firms such as Exxon, General Electric and IBM all operate based on the reality that anyone can have anything anywhere at any time; they communicate and trade directly with customers and suppliers worldwide through systems and relationships that transcend sovereign boundaries.

#### **SIZE NO LONGER MATTERS, LOCATION MATTERS LESS; CHARACTER STILL DOES A LOT.**

Small cities and towns with character can take lessons from the global cities and multi-national corporations. They can take advantage of the "global" economy when they acknowledge the world beyond their borders, build access to global infrastructure.

Small cities and towns with character are great hosts to global entrepreneurs engaged in far-reaching and interactive trade, business, culture, education and entertainment.

A confident attitude hosted by a character town and persistently backed up with the proper tools can increase the odds of a successful outcome. Global cities of whatever size are places where people invest, trade, live and visit from throughout the world. With the mobility and connectivity of twenty-first century manufacturing, transportation and communication networks, national boundaries are increasingly irrelevant. The physical size of a host city and its location no longer determine strength; connectivity and character are the important factors.

#### **HISTORIC PRECEDENT.**

Historically, the city has been the model home for business and trade for ten thousand years. The economic viability of the city was established thousands of years ago with Uruk in Sumeria, Athens in Greece, Varanasi in India and *Xi'an in China*. Confederations of city-states operated as recently as the Hanseatic League [c. 1400-1800], all well before nation-states emerged.

The nation-state is a relatively recent cultural and economic invention; recognized by the Westphalian Peace of 1648. Germany and Italy did not become unified nations until the mid-19<sup>th</sup> century. The usefulness of the nation-state may be passing into history since it is not adding value to international trade.

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The current trend to reduce national government tariffs around the world facilitates commerce and makes it easier for city-to-city economic and social intercourse.

With the 20<sup>th</sup> century world wars, digital communication and global travel systems, people have become comfortable moving about the globe. At the beginning of the 21<sup>st</sup> century, the world's economy consists of social and economic activities that transcend sovereign boundaries. The manufacturing economy, the entertainment industry and tourism activities are reverting to the original "city-state" model where the city of origin and destination is important, but countries, provinces and states are only inconveniences.

#### **THE CHARACTER TOWN AS A 21<sup>st</sup> CENTURY GLOBAL CITY.**

The 21<sup>st</sup> century global city may not have to be all that large. Small cities and towns have the opportunity to create economic development programs that reflect a shift in their traditional strategy. Large firm recruitment dominated by big cities is being superseded by small cities and towns with character attracting and retaining local businesses, boutique manufacturers, public-private partners and startup companies that can be successful in connected and wired cities regardless of their size.

Local prosperity increasingly depends on active local public entrepreneurs operating on a global scale. Character towns can compete in the new global economy. In fact, small cities and towns are tailor-made for entrepreneurs, small businesses and the "talented" workers they employ.

The first principle of the attraction is based on the idea that employers need "talent" and will locate their businesses where the talented, high-value, high-skilled workers want to live.

There are two possible locations attractive for these high-value, high-skill workers:

- **Big Cities.** Cool places, neighborhoods and villages in big cities appeal to businesses and workers in the New Innovation Economy. Many of these workers will choose the big city, either forever or for the period of their life when they do not have a family. We wish them well.
- **Small Cities and Towns.** Many of these workers will be attracted to small cities and towns with character and all the community amenities that the word character implies. Small cities and towns with the economic, social and physical attributes compromising the character town are well-suited to be the home of start-up businesses, technology companies, consulting services and their employees, be the firms small, medium or large.

Envisioning the town as competitive in the global market place is where to start. Creating a nice place to live with the infrastructure global businesses need is the next step. Broadband internet connections are essential; access to an airport with global connections is a bonus. "Think globally, act locally", it still works.

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#### **21<sup>st</sup> CENTURY CITY BUSINESS PLANS.**

Cities, like corporations, are now working on business plans to guide expansion of their economies.

Economic development plans for character towns wanting to be global in scale are starting to resemble multi-national corporate business plans. The imperative action is to make direct contact with customers and trading partners without using state or federal government channels. Small cities and towns with the right assets and attitudes can host businesses, entrepreneurs and investors who do business on a global basis.

Likewise, small cities and towns can entice global investors to take interest in a unique local business or service. Character towns attract talent which is always important to global entrepreneurs. Activities and relationships like “sister cities”, trade missions, cultural exchange programs, and direct city-to-city contacts are becoming more common. Participating with a metropolitan program or forming a partnership of like-minded towns can increase the critical mass of the economic and social resource being presented on the global stage. The internet and the airplane are the equalizers that reward merit over size and enable wired and connected character towns to compete in the global economic arena.

#### **CONCLUSIONS.**

1. **Essential tools for a globally wired and connected small city or town.** Every small city and town in the digital world is unique, yet they can all have essentially the same basic qualities and assets as the bigger towns to participate in the new economy. They can have:
  - **Networks** connecting a small city and town to global financial, trade and investment resources.
  - **Relationships and partnerships** based on a confident attitude that the city is a valid member of a wide range of like-minded local organizations in cities and towns around the world.
  - **Unique businesses** that create goods and services marketable anywhere.
  - **Boutique manufacturing** that produce high-value goods for the global market.
  - **Specialty education and consulting resources** with valuable services around the world.
  - **Branding and imaging** that includes a mix of lifestyle, attitude and unique working arrangements that attract talented people to small towns.
2. **Global engagement is available to every small city and town.** Character towns offer creative local business people connections to any market in the world from their front porch. Using the right tools, small cities can create the industrial and academic chops to prosper in the new world economy.
  - **The cost of entry for small cities and towns into the global marketplace is declining.** Small cities and towns can support local entrepreneurs with facilities, training and financing.

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- **Small city and town connections are available to every global business partner and service.** Small cities and towns can connect to global communication, transportation, business, financing and investment networks. Cities are fully capable of directly connecting to any global market.
- **Direct global business relationships are happening.** Contracts and relationships equivalent to international treaties are appropriate and necessary between U.S. cities and their global partners and counterparts. Relationships depend on value-added services and quality products more than macro-economic principles.
- **Federal and state support for cities is declining; the town's economic development program must produce replacement sources of revenue.** Small cities and towns must develop locally-based, non-traditional, globally-oriented revenue sources to remain viable.
- **The reality of global-local is approaching.** Cities, more than ever, have their fate in their own hands due to the withdrawal of state and provincial governments in meaningful activities.
- **Small cities and towns with the essential internet connections and access to an airport have a unique competitive advantage.** International trade using local goods and services that have a competitive advantage in the market place either exist for exploitation or need to be developed.
- **A 20-year finance plan can lead to economic independence.** State and federal funds should be considered non-recurring capital funds; all operating funds should come from recurring local sources; plan for the eventual elimination of state and federal financial support for the city.
- **Local lifestyles are a significant comparative advantage in the global market place for talent.** Continue to provide a great lifestyle for executives, employees and their families when they arrive as visitors or residents.
- **Make connections, real and virtual.** Participate in trade missions, conferences and networks sponsored by economic development agencies, first-tier cities and established international conferences to maintain a global perspective.