

Why Place Still Matters in the Digital World
Book Review by Doug Henton

The New Geography: How the Digital Revolution is Reshaping the American Landscape
Joel Kotkin (Random House 2000)

Here is a book that should be required reading by every regional steward in America.

Joel Kotkin, a senior fellow at Pepperdine University who writes a monthly column on “Grassroots Business” for the *New York Times*, makes the strong case for why place still matters in the digital world. His paradoxical message is: “The more technology frees us from the tyranny of place and past affiliation, the greater the need for individual places to make themselves more attractive.” Kotkin colorfully illustrates his point with a rich range of interesting examples from communities across America. What matters today is talent, quality of life and an entrepreneurial environment, not low costs and access to raw materials.

Kotkin’s law: Wherever knowledge workers cluster, in small towns or big cities that is where wealth will accumulate. Knowledge workers want good places to live. So places better get busy trying to create livable communities attractive to knowledge workers.

Giving colorful names to different types of communities, Kotkin makes the point that not all places are the same in the digital world. Nerdstans are the new technology communities like Irvine, California, Research Triangle, North Carolina and the Woodlands in Houston, Texas that have been designed to attract knowledge workers. Midpoles are the older suburbs that have become technology magnets, such as San Jose and San Fernando Valley in California, and Route 128 around Boston. Then there are Valhallas, formerly rural places such as Burlington, Vermont, Boulder, Colorado and Camden, Maine, which have become meccas for knowledge workers who can live anywhere and telecommute to work. Increasingly left out are the remote rural areas that are not connected.

Kotkin is at his best in describing the renaissance of older cities such as New York, San Francisco and Boston that have “reinvented the core” around creative services spawned by the internet. (Note: It is interesting Fortune recently rated the 5 best cities to do business in America: New York City, San Francisco, Chicago, Washington DC and San Jose - “veteran all stars”) The reason is a combination of Alfred Marshall’s industrial districts, Michael Porter’s industry clusters and Jane Jacobs’ urban habitat. As Kotkin points out: “employers who rely on creative workers will still be forced to conduct business in cities.”

Kotkin points out two trends that reinforce this urban renaissance. Immigration has transformed the landscape of most American cities. According to Kotkin, this has been a good thing- adding to the talent pool, creating urban vitality and promoting cross-cultural trade. A second trend has been the rise of creative services and the emerging cultural industrial complex in cities. He makes the case that “The cultural intensive nature of knowledge value production draws on a different, often younger, demographic base that is more attracted to a distinctly urban environment.”

What are the implications of the importance of place in the digital world for regional stewards? Here is where Kotkin’s message is especially important.

At the dawn of the digital age, the pressures weakening emotional ties between elites and their communities have grown, yet the need for local leadership focused on particular place has grown more profound... Under these circumstances, the ability of communities to create conditions—perhaps equally important images—attractive to new industries and skilled workers is critical. Yet at the same time, communities may have to rely not so much on established companies or elite individuals as on a broader social effort and grassroots activism

Whether in the reform of education or the encouragement of enterprise or the creation of public infrastructures, healthy twenty-first century communities will be those that can develop a sense of common purpose... Ultimately, then, the digital age, the oldest fundamentals of place- sense of community, identify, history and faith- not only remain important, they are increasingly *the* critical determinants of success and failure.

Not a bad message for regional stewards trying to reconcile the demands of the new economy and the livable community in ways that ensure that everyone is included.