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Emerging Strategies for Promoting Local Economic Performance of American Communities

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Abstract

This paper explores a new localism dynamic in American communities redeveloping their socioeconomic base for a more stable and promising future. Key to this new localism is the recognition that each community has its own economic and population base linked with neighboring communities. The role of state and local governments is also considered in creating focal sectors. The case of Pittsburgh, Pennsylvania is used as a specific example of how local communities can welcome new businesses and people, spawning a new localism that becomes a driving force in creating stable and prosperous communities.

Keywords

New localism, economic performance, emerging strategies, American communities, Pittsburgh

Introduction

Since the second half of the twentieth century, modern technologies and management practices increased the efficiency of the production of goods and services. This significantly influenced internal migration patterns in the United States. The mobility of both capital and labor has expanded growth and productivity overall. Investors and entrepreneurs especially seek locational advantages where local and state governments operate efficiently, minimizing the bureaucratic costs of doing business while increasing local productivity. Proactive regional governance can and often does facilitate local economic growth and job creation. Local governments and coalitions that seize upon their unique regional advantages attract people and economic activities (Partridge and Olfert 2011:143-146). The emerging strategies associated with the new localism (Katz and Nowak 2017, Snyder 2018) recognize these major shifts in population and economic activities.

New localism involves an understanding of comparative advantage of a particular place and its institutions. It embodies unique problem-solving abilities and actions on the part of local political and economic leaders who have shared objectives for a larger good. It is a collaborative approach in which different ideas and practices are integrated to address a variety of issues simultaneously. New localism seeks to bring together the expertise and resourcefulness of leaders in business, government, and society. However, the major stakeholders must have extensive knowledge and information about the structure of the community and its functioning to enable mobilization of people and local resources to ensure local economic success (Florida et al 2017, 86-96).

One tenet of the new localism is that each community must determine its own economic future based on its competitiveness in retaining and attracting businesses, entrepreneurs, and an ever increasingly skilled work force. Complementarily, local institutional resources such as good schools, affordable health care systems, dynamic businesses and efficient transportation systems create opportunities for robust economic growth and greater social stability. Ideally, local leaders in business, government, colleges and universities, and philanthropic organizations should work together to evaluate alternative strategies for local economic growth and job creation.

While growing urban regions with diversified economies offer opportunities for economic and social stability within local communities, not all urban regions are on a healthy trajectory of growth. Some communities may not succeed because their efforts are too little and too late. Such communities may lose population and face an eroding economic base while still retaining people who are less economically active, leading to local or regional decline affecting the quality of life among all age groups.

What a healthy economic growth trajectory looks like is not necessarily the same from region to region. Particularly since the 1980s, economic production increased, along with global trade. This altered the wider economic context for regional competitiveness. Competitiveness increasingly depends on access to skilled workforces, strong economic infrastructure, and computerization of work across all economic sectors. Local economies have had to adjust to this changing economic landscape through more efficient use of local resources and recognition of previously unseen opportunities.

The New Localism and Scientific Advancement

Central to technological upgrading is the advancement of science, including both incremental “normal” science (Kuhn 1962) and key breakthroughs. The new localism situates these within networked loci. Scientific developments, both major and minor, are not random events. These developments are also more

likely to occur in some locations rather than others. Some regions are endowed with characteristics that attract scientific talent, financial resources, and good management. Additionally, certain geographic locations may be much better suited to foster new innovations and business start-ups, leading to a substantial shift in the composition and competitiveness of the regional economy.

New localism also seeks to facilitate unique geographic economic and cultural presences within larger regions. It advocates attracting and retaining talent as well as entrepreneurs who offer innovative ideas, create new economic opportunities, and enhance local comparative advantages. It recognizes the potential of the unique strengths of local institutions, infrastructures, educated and skilled work forces building on an inclusive vision for the future. Another tenet of the new localism is that the availability of financial resources, both public and private, must be evaluated realistically. Local leaders consisting of elected public officials, business leaders and entrepreneurs must work together to explore alternative strategies for local economic progress. It also must include participation of citizens and local organizations for a shared future. It is in this context that Porter's (2001) concept of economic clusters provides an excellent framework for the analysis of local economic activities.

The clustering of industrial firms and other related enterprises in a region provides for innovation, the sharing of information, and personnel and research collaboration as well as the development of physical and digital infrastructures. "Clusters are geographically proximate groups of interconnected companies and associated institutions in a field linked by their commonalities and complementarities. Clusters are normally contained within a geographic area where ease of communication, coordination and personal interactions are possible. They are normally concentrated in a region and sometimes in a single town" (Porter 2001:53). Clusters consist of similar industries. The concentration of enterprises linked with similar economic activities are a part of the same economic sector, providing opportunities for technological innovations and creative economic strategies for growth.

Clusters promote innovation and productivity (Porter 2001:55). Porter shows that the cooperative linkages in North Carolina's Research Triangle region (e.g., universities, research institutions, business enterprises, government, and other organizations) have created a strong knowledge-based regional economy. Each of these stakeholders has a role that compliments the others' strengths in an overall cooperative enterprise. In the case of Research Triangle Institute, North Carolina's state government, along with Federal government agencies (Environmental Protection Agency and the National Institute of Environment Health Sciences) stimulated and encouraged regional strength and growth through the creation of knowledge-based research infrastructures as well as complimentary business enterprises.

There are two examples relevant in this context. They are Boston and Pittsburgh. Both represent distinct types of clusters and show differences in their robustness. In Boston, the Massachusetts Biotechnology Council encouraged local biotechnology firms to collaborate in establishing a regional biotechnology cluster. It involved cooperation among diverse businesses in a same sector to promote workforce development and training, sharing of information and research opportunities as well as collaborative relationships with area universities and research organizations such as MIT and Massachusetts General Hospital (Porter 2001:60-61). Boston has been able to maintain its preeminence through creative institutional collaborations, availability of financial resources, innovations, access to highly skilled work force and other local resources.

The other example is Pittsburgh region which also embarked on an economic development strategy that was based on knowledge-intensive enterprises. The state government took the lead in providing funding for the Digital Green House program. The initial building block was based on knowledge- and technology-intensive industries and businesses to develop industry clusters based on "Chip Technology." In addition

to the state and local governments, private sector, universities, local foundations, and other civic organizations came together to push the initiative forward for developing and attracting new business enterprises in the region. The presence of Carnegie Mellon University, The University of Pittsburgh and other organizations enhanced this process of local collaborations, and other government organizations provided funding for both basic and applied research.

Economic and social transformations continue the clustering process but the pace of change poses challenges for economic, social, and political institutions to respond boldly and creatively. The participation of individuals and groups guided by clear goals within specific time frames is also a vital component of the process. Major urban and industrial regions have institutional resources and experience that can be mobilized to take advantage of assorted opportunities. They also have critical mass in educated and skilled workforces more familiar with using new technologies and management practices. However, the condition of the local tax base can be critical in determining the availability of financial resources to fund such projects.

It is important to recognize the need to manage declining communities. Many communities suffer from declining economic activities and a shrinking population base and consequently, a lower local tax base. This leads to a deterioration in school quality, infrastructure, and public safety. Some communities do not succeed because their efforts are too little and too late (or are misdirected). As mentioned previously, some may lose population and face an eroding economic base while still retaining people who are less economically active, leading to local or regional decline affecting the quality of life. The challenge posed by the new localism is to chart a new future based on local resources in the context of the larger region.

Economic and Population Change

Competition for investment capital and knowledge workers has become global, but the role of local government remains critical. In a dynamic economy, shifts in population and economic activities occur simultaneously. Usually, people go where jobs are plentiful. However, economic enterprises prefer to locate in areas where they have access to a skilled work force and often in proximity to similar enterprises. Public-private partnerships can create new opportunities for local and regional economic growth. Nevertheless, there are communities that have a limited economic future and lack ability to retain population. In extreme cases, such communities may deteriorate to the point of irreversible collapse due to demographic out-migration and capital flight (i.e., disinvestment).

In knowledge economies, education is a key factor creating economic success and a superior quality of life. However, access to good education is highly uneven. Poor school districts are more likely to have fewer good teachers, inadequate schools, and other resources such as well-equipped libraries and teaching labs. Such disadvantages are interrelated and cumulative. Many of these problems stem primarily from poor public educational systems. Students experience these problems beginning in elementary school and continuing through high school, which obviously does not promote their academic success. Many talented students are held back from going to colleges and universities due to inadequate academic preparation beginning in elementary school itself.

Population loss and economic prosperity, however, are also not mutually exclusive. There are cities that have lost population but still maintain median income close to the regional average (Hart 2019:14). Prosperous, shrinking cities can be found in coastal regions such as Norfolk Virginia. Shrinking and defunct cities are located across the United States, not exclusively in older, industrial regions. However, such regions are still most prevalent in the rust belt (e.g., Pittsburgh, Detroit, and Cleveland). Some regions lost population but retained a highly educated and talented workforce. Population decline in these regions is due to lower birth rates and preferences for smaller families. The presence of a talented workforce has been

a strong driver for economic stability in shrinking cities. New localism advocates that communities creating partnerships with each other share workforce development, enhancing their combined regional economic position and stability.

Local governments may consider combining resources, developing opportunities to expand their economic activities, allowing businesses to take advantage of local resources and amenities. It may be productive to offer tax incentives to firms to create additional business opportunities. Creating novel economic, social, and demographic linkages may create a more competitive economic environment for growth. When local governments are open, creative, and less bureaucratic, they attract entrepreneurs and investors. Skilled workers may also locate in such places because of stable economic opportunities and an improved quality of life.

The Knowledge Economy

Historically, manufacturing has been a major engine of economic growth in various regions. But growth is now primarily driven by innovative technologies (Adkinson and Comfort 2016:215-231). Additionally, the expansion of high technology services has made regional and national economies less labor intensive. Semi-skilled workers are still in the production system as needed but their participation continues to decline. The demand for educated and skilled workers who meet the needs of a changing economy of the future continues.

Knowledge workers are professionals in various fields who can provide knowledge and technology vital for local economies to perform at high, globally competitive levels. Efficient local governance and access to adequate public services creates an effective environment for businesses to thrive and attract knowledge workers. Solid local infrastructure, public safety, transportation, and communication systems are essential. The presence of higher educational institutions, especially research universities, is important to develop knowledge and technology to meet the needs of existing businesses and other organizations. A robust commercialization of technologies is needed and requires entrepreneurs and investors to evaluate the region as an attractive location to invest and create new businesses. Different sectors of the regional economy may grow at different paces, and some may even contract or disappear altogether. The mobility of knowledge workers requires regions to develop dynamic, peaceful communities attractive to knowledge workers.

High-technology manufacturing and knowledge-intensive services are linked inextricably with the information economy. High-technology manufacturing includes aerospace, robotics, advanced optics, and new generation industrial machinery, among others (Wolf and Terrel, 2016). Knowledge-intensive services use communication and information technologies to further enhance their competitiveness. Local governments provide services to make it easier for businesses to operate locally but with national and global relevance (Cooke 2004: xiv-1). Competition for skilled workers between regions and communities is an ongoing structural feature of modern economies.

Regional Economic Contexts

The U.S. economy has undergone tremendous transformations in recent decades, but the major regional economic and population changes began in the 1970s and 1980s. Economic growth was accompanied by demands for a skilled workforce, good local infrastructure, use of computers, and a range of technologies all at the regional level (Andersson 2003:210-216). The presence of higher educational institutions, on the one hand and vocational institutions on the other empower a region to compete for public and private investments to establish a strong regional and local economic base. Regional infrastructures such as roads,

bridges, and ports are essential for businesses as well as for the people who work and live there. Historically, technological innovation in manufacturing industries created jobs supporting mass employment. But such jobs have declined in large manufacturing centers. Low technology and highly routinized jobs are eliminated through automation and computerization or performed in low-cost locations nationally and globally when employing people to perform them is still necessary (Levy and Murnane 2005). These changes have created new economic challenges for local communities planning a promising future for their populations.

Cities have been the primary locations for economic, social, and political activities within economic regions. They create attractive physical environments where people work, talk, and socialize in various venues. Economic activities take place in cities where a skilled work force is available in the proximity of business enterprises (Katz et al 2018:1-5). New localism is emerging with multisectoral networks that together seek solutions for a better economic future. Most cities and metropolitan areas have assets and capabilities to support the emergence of knowledge-intensive economic activities. Basic and applied research are carried out in universities and health-care centers which are typically situated near city centers. They attract new investments, skilled workforce, and entrepreneurs. Such cities include Pittsburgh and Indianapolis, among others (Katz et al 2018).

Most regions have historical specializations in certain types of economic activities. Regional economies consist of businesses located in proximity of each other, providing jobs through production and distribution of goods and services. A regional economy is committed to promoting economies of surrounding communities based on their economic specialization. To sustain integration within the national economy, a local economy must have access to modern technologies and a skilled work force to utilize them. Additionally, new management practices are essential in maintaining a competitive economy in the national and global contexts. Elevated levels of regional governance capabilities maintain efficiency and create an innovative environment. Business enterprises located in the proximity of each other may share skilled workers even as they compete for them (e.g., hiring skilled workers from one another, promoting the overall regional stock of skills and knowledge), and develop business partnerships to use various economic inputs in more efficient and cost-effective ways (Toussaint-Comeau et al 2016:173-176) Additionally, access to institutional resources such as banks and other financial institutions, are essential for local communities to invest in themselves and grow.

Good regional governance creates an innovative business environment and dynamic communities. A regional economy is the major source of production and distribution of goods and services. Business enterprises located in the proximity of each other may share workers and develop business partnerships, increasing their efficiency and effectiveness (Toussaint-Commeau et al 2016: 173-176). Regional prosperity and growth have been related to human creativity, talent, and entrepreneurship. Toussaint-Commeau et al (2016) also found that northeast and rust belt regions have not done well economically due to the structure of old regional economy and less effective local governments in planning a more robust economic future (see also Faggion et al, 1005-1007).

As a part of continuing structural shifts, regional economic changes intensified in 1980s. Regional infrastructure required the use of computers, increasingly advanced machinery, and other capital equipment (Anderson 2003, 210-216). The presence of higher educational institutions empowers a region to develop its own skilled workforce to compete for investments from both public and private sectors. Regional infrastructures such as roads, bridges and ports attract businesses and bring new workspaces, which attract people to work, live and go to schools and colleges and enjoy recreational facilities including public parks and open spaces. Creating and maintaining regional amenities benefits local communities each with their own social, cultural, and economic characteristics.

Current trends indicate that communities must chart their own economic futures based on past performance, experience, and future opportunities. But growth and decline have been uneven within regions as well as between them. Cities in the south and southwest grew in part at the expense of older declining regions, attracting residents and businesses from them. The prior growth of these older regions was centered in cities that had built economic prosperity in basic manufacturing and exports, but whose economic decline has been accompanied by poverty, segregation, isolation, and slums (Beauregard 2009). These national trends were heavily concentrated in the old industrial regions of the Midwest and the Northeast. Deep-rooted thinking in the U.S. has been to focus on economic growth instead of examining structural factors that may lead to permanent job losses, decline of businesses, and population. It is important to outline the conditions that may lead to the decline of a city or a region, including failure to sustain their economic and population base in a competitive economic environment. However, Hartt (2019) demonstrated that such population shifts and economic prosperity may occur simultaneously. Many shrinking cities were still able to retain a younger and educated work force. Population decline is related to lower fertility and preferences for smaller families and households which may occur in both growing and declining communities.

Lack of growth scenarios should be examined as a real possibility for certain communities. Regions that experienced unstable population shifts, decline in tax base and economic activities should explore possibilities for a smaller population and economic base so that they know their available options before those narrow much further. But if these communities are in the proximity of airports, highway systems or even a professional sports arena they may develop partnerships between industry and non-profit organizations to create a new economic future. The presence of higher educational institutions attracts people and businesses to an area. Local entrepreneurs and businesses can develop economic partnerships with local as well as state governments. Partnerships between these stakeholders can become a real force in the economic progress and social cohesion in some local communities.

A Need for Local Economic Transformation Strategies

Historically, urban planning in the U.S. has emphasized managing growth though some regions underwent decline. Shrinkage is often attributed to the rust belt and other industrial regions. However, both growth and decline may take place in the same region but in different economic sectors. Pittsburgh, Pennsylvania and Youngstown, Ohio are examples. While it is important to understand the complexity of global economic competition as it impacts large metropolitan regions, it is also necessary to understand its effects on small and medium size communities. These communities must also develop their own comparative advantages. Smaller communities are especially challenged given their limited resources and opportunities to gain footholds in niche markets. The task of future economic development for a brighter future needs to consider not just the community in question but the surrounding communities which provide its context. Current access to information and communication technologies erodes the significance of physical distances. Technically, it is now easier than ever for local communities to share economic resources, workforce, and knowhow with each other for mutual benefit.

Most Americans prefer localized governance and feel that local governments and other institutions should tackle the economic and social challenges facing their communities in realistic ways. There is a growing consensus that local issues are best managed by local institutions despite differing views about the ‘how’ of such management among residents and local leaders. The need to identify and promote economic opportunities to attract people, businesses, and other organizations also extends to local communities (Kotkin and Streeter 2018, 2-5). The new localism has emerged in various regions as partnerships among local governments, businesses, and educational institutions sought to address problems of poverty, income

inequality, and unequal access to education while seeking a new future for individual communities' economic and social progress.

The expansion of scientific and technological innovations provides new opportunities for inter-institutional collaborations between universities, research institutions, business firms and health care systems. However, cities must find solutions for poverty, aging infrastructure, inadequate transportation system and public safety. They can learn from each other about successful strategies for local economic development and jobs of the future. Katz and Nowak (2017) compared the economic future of Pittsburgh, Indianapolis, and Copenhagen, Denmark. They identified characteristics of the Pittsburgh case which have made the city a vibrant, innovative, and competitive location.

There is growing interest in seeking growth and progress of local communities of a kind that creates minimal disruption. There is also a need for educating local communities about the specifics of local economic development and its capacity to create jobs and a larger tax base, appreciation of property values, refurbishment of local roads, bridges, and other forms of infrastructure. Even in this optimistic scenario there is no guarantee for long-term success. Sometimes lack of interest among regional and local leaders compounds the plight of declining communities. Some communities faced or are facing an exodus of educated and skilled people to other, more promising, communities and regions. Local leadership, consisting of government officials, business leaders and the heads of other major institutions, can and should work together to evaluate in generating new jobs and better incomes through business initiatives. Economic decline has unequal impacts on communities and local businesses, and even in declining areas there have been businesses able to maintain their stability contributing potentially to the revitalization of the community's socio-economic ecosystem.

There is a tremendous role for education and training programs linked with local businesses. Community colleges can fill those needs while working with local businesses. It is important to recognize that most jobs might not really require a college degree. Businesses can hire employees who possess basic mathematical and language skills. These skills are transferable across diverse types of occupations in local communities. Employers should provide continuing education and training programs for workers to meet their work force needs. Technological change creates challenges for businesses as well as workers. Workers must be alert about the changes in their jobs and be prepared to acquire new skills. Businesses in a community can cooperate with each other in sharing workers, technical knowledge, and management services. They may also share physical facilities as well as coordinate transportation options for their workers.

Renn (2019) studied several regions and found that some cities in the U.S. have experienced decline of population and economic activities. These have been long term processes and required timely, realistic responses to reduce the negative impacts on people and communities (Renn 2019: 1-19). New strategies are needed to help shrinking cities adjust to a new economic reality. But the solutions might not be either painless or permanent. Each community must develop an understanding about how its economic future relates to the robustness of its own institutions. Many people live and work in separate places and use modern information and communication technologies to facilitate collaborations between people and institutions. But these are possible only when new thinking enables people to explore new ways of doing things which will enhance local economic vitality and quality of life. Older cities must examine zoning, build new infrastructure to attract new economic enterprises and skilled workers. This will attract investments and entrepreneurship in response to a more business-friendly environment.

One of the areas that has received scant attention is assistance for relocation, or even phased dissolution, of local businesses that no longer have demand for their product and services. In these cases, such businesses typically shut down abruptly because they are not economically sustainable. It is necessary to pay more

attention to economically declining communities and their workers. New business activities that complement existing business operations need encouragement in such communities.

A Robust Localism: The Pittsburgh Case

The economic transformation of the Pittsburgh region is a case supporting a robust new localism. Building on its past economic history, the Pittsburgh region embarked on an economic development strategy based on knowledge intensive businesses. The State of Pennsylvania, as indicated above, took the lead in providing funding for the “Digital Green House” program. The initial building block was based on knowledge and technology intensive industries and businesses. In particular, the state government provided the financial support for the “Digital Green House” to develop industry clusters using chip technology.

Once a major manufacturing center, Pittsburgh is now a global leader in advanced robotics, autonomous vehicles, and a site for some of the dominant information technology companies such as Google and Amazon. Partnerships between governments, business, academia, and charitable organizations have created a new economic future for Pittsburgh. In addition to academic research, other key elements include growing entrepreneurship and business investments from within the community and the outside. Indianapolis represents yet another region where various levels of governments are engaged in partnerships for a long-term future for their city.

Since the decline of the steel industry, the Pittsburgh region has undergone a remarkable transformation. In recent decades, the health and education sectors are now recognized as the region’s dominant sectors, though there is still an enduring role for the production of specific kinds of steel. Pittsburgh was once known as a major center for steel industry which underwent enormous job losses due to its lack of competitiveness in relation to imported steel. Drawing on its steel manufacturing history, it now produces specialty steel commodities in demand for export both nationally and internationally. Despite deep decline the steel industry continues in Pittsburgh, maintaining its legacy as a steel city based on the growth of the specialty steel which is highly diversified for the domestic consumption and exports. The skill and knowledge content of specialty steel production and marketing sustains a viable economic niche for the region, but now it is but one among many. Pittsburgh’s resilience is rooted in its economic history as well as the commercialization of recent technological innovations that can be commercialized.

A region that has a vision for the future based on realistic goals and opportunities is most likely to grow and prosper. It is critical that business organizations develop selective partnerships to maximize economic benefits and reduce risks. Educational institutions must emphasize teaching and research in the STEM disciplines (science, technology, engineering, mathematics), as well as computer science. They must prepare graduates to take advantage of economic opportunities locally and nationally.

In addition to the state and local governments, private sector, universities, local foundations, and other civic organizations came together to push this initiative forward for developing and attracting new business enterprises and people. One of the most essential elements in the economic development of Pittsburgh was partnership between economic, social, and political institutions. The new localism has been an important strategy for economic development and job creation, certainly in helping Pittsburgh determine its long-term future. An important benefit to the region was new opportunities for the development and commercialization of innovative technology and job creation. This initiative served to foster inter-institutional collaborations with a common purpose of economic development where economic benefits are broadly shared.

The Tripp Umbach and Associates report on Pittsburgh's biomedical centers of excellence found that the region maintains world-class centers in psychiatry, transplants, oncology, genetics, gene therapy, otolaryngology, neurosciences, public health, orthopedics and sports medicine, pediatrics, cardiology, obstetrics and gynecology, neural basis of cognition, surgery, bioengineering, biomedical supercomputing, biomedical imaging, stroke, rehabilitative and assistive technology. In addition, the region also has emerging centers of excellence in cancer research bioinformatics, aging, geriatrics, drug development and discovery, disease risk development assessment anesthesiology, critical care, complementary and alternative medicine (Tripp Umbach and Associates 2001:11).

Firms in biotechnology produce medical instruments, prosthetics, and other implantable devices. Such firms may also be involved with other facets of technological development such as data-base management, bioremediation (pollution clean-up) and development testing. These regional firms can be divided in to four basic categories which include biotechnology, medical devices, consulting services and pharmaceuticals. Pittsburgh has particular strengths in the areas of medical devices and imaging equipment such as ultrasound and MRI machines, tissue cellular engineering, devices and systems designed to assist cardiac patients. The University of Pittsburgh's Office of Technology Management outlines some special strengths of the Pittsburgh region in life sciences as tissue engineering, neuroscience, drug development, imaging including MRI devices, robotics, surgery, and bioinformatics which increasingly utilize information technology within the life sciences.

An overview of Pittsburgh's biomedical companies indicated that several biotechnology companies were founded in the past several decades. Today university-based research includes about six thousand scientists and researchers in the region (Jewish Health care foundation, 2000). The funding for research and other related activities have come from federal agencies, corporations, foundations, state, and local governments. Scientific research and innovation at the regional level depends on the research strengths of higher academic institutions and private research organizations. The advancement of regional research agendas is tied to the national research priorities and funding opportunities on the one hand and the access to scientific talents and infrastructure on the other.

Summary

The new localism is a dynamic concept. Each community will need to examine its uniqueness in the structure of its population, economic activities, and the strengths of its local institutions. Robust localism does not seek to bury past economic legacies but instead seeks to find ways to selectively retain past competitive advantages when feasible. It advocates that communities must change in ways that are consistent with their future goals and opportunities. A clear understanding of a community's position in its larger region may enable it to develop partnerships with other communities in its proximity. This may include economic activities, education, culture amenities and recreational facilities. Self-reliance may become a driving force for an optimistic future.

The new localism only functions when embedded within a larger political and economic system. Cities and wider jurisdictions such as counties and states that seek a sustaining redevelopment strategy would benefit from the development of an integrated economic development program. They would also do well to keep in mind that cities are prime locations for economic, educational, and political institutions. Among other things, cities have housing, education, and healthcare institutions serving the needs of its community members. Cities are the centers of culture and contain amenities such as theaters, museums, and other cultural touchstones resources. Cities throughout the U.S. bring people together to work, socialize and engage in a variety of activities. Younger demographics are creating new and unique localities in larger

metropolitan regions, simultaneously gentrifying new communities. This may result in the displacement of low income and members of minority groups from lifelong residences. Homelessness, and its accompanying social problems is part of new localism dynamics and requires serious attention by policymakers, and communities need to be able to change their actions as more information and experience is gained.

It is also important for policymakers to understand how the local economic base, jobs and incomes are changing. In addition, communities may learn from each other based on their success in economic revitalization, job creation and attracting skilled and educated people. Local governments should understand the social and economic changes that their communities face. They may seek inputs from entrepreneurs, leaders of surrounding communities in determining future strategies for economic development and social stability.

This analysis of recent and emerging trends for the future of local communities has shown that each may develop its future based on its human resources and economic opportunities in ways that are increasingly widespread. Their creativity and resilience may provide a realistic road map for a shared future and understanding of the economy and relatedness of communities will help develop insights for building creative partnerships. They should also understand various possibilities in an ever-changing landscape full of promises and opportunities for American communities.

New strategies must empower local people to attain economic independence and social mobility. Equal opportunities and fairness are critical in harnessing the talents and abilities of people who live and work in diverse locations. Local entrepreneurship needs to be encouraged by both local governments and businesses. New business startups are critical in creating new hopes and aspirations for members in local communities. As is clear from the Pittsburgh case, social, and economic progress involves partnerships between local institutions for shared goals. The new localism can then be seen as contributing to a brighter future for older industrial regions.

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