

RTP's broader reach

CHAPEL HILL In the mid-1990s Bob Metcalf, father of Ethernet and founder of 3Com said, "every place in the world wants to be Silicon Valley." Vivek Wadhwa - a Research Triangle Park entrepreneur now based in Silicon Valley - was recently in town to advocate for a wholesale replication of the Silicon Valley model, assuming that there is one correct way to create technology-based economic development.

The alternative view is that every region defines its own model, building on its own unique strengths and finding its own recipe for economic growth and prosperity.

Certainly this is true for the RTP regional economy, which has become an inspiration for other places that are trying to lift themselves out of poverty. It's a work in progress. Silicon Valley simply got started earlier and crafted its model based on venture capital investing, immigrant entrepreneurship and networking. It works for Silicon Valley but attempts to replicate this model elsewhere have resulted in what Harvard Professor Josh Lerner refers to as the Boulevard of Broken Dreams.

Still, many technology analysts continue to push a one-size-fits-all approach, as illustrated by Wadhwa's message this week to the RTP New Tech group. Wadhwa is highly critical of RTP for failing to closely follow Silicon Valley's lead.

His comparison of Silicon Valley and RTP is problematic for several reasons. The cry to emulate Silicon Valley ignores the possibility that regions develop differently, reflecting local priorities and preferences. The RTP regional economy has emerged as a technology leader in many industries, including life sciences. Today it ranks third after California and Massachusetts for the number of biotech establishments and jobs. But these national rankings obscure what is different and unique about our approach to technology-based industry growth.

North Carolina's technology industry is the result of deliberate and progressive state policies that have transformed an agricultural economy into a place where new inventions - some based on agricultural biotech - are created and with it companies are formed. Starting with Gov. Luther Hodges' administration in the 1950s, state agencies set out to build capacity for technology development and create conditions for private firm success. Rather than catering to just the highly educated elites, the North Carolina model has also evolved to promote career opportunities and career ladders for vulnerable manufacturing workers displaced from traditional or declining industries - continuing efforts to build out of North Carolina's biomanufacturing industry reflect this more encompassing development strategy aimed at benefiting diverse populations of this state.

This is a more balanced approach to regional economic development that addresses the need to promote innovation and technology development at the same time that it actively encourages shared prosperity in our region. In these difficult economic times, which have only exacerbated disparities between the haves and the have-nots, our region - not Silicon Valley - seems a better and more sustainable model from which to draw inspiration.

Another key difference is that RTP was built on active state economic development policy, while Silicon Valley grew more organically and with early help from federal grants and contracts. RTP was built by state policymakers working with local business people and university researchers, and their intention was clear: to raise living standards for all North Carolinians. This unfolded with the initial building of RTP and continued with a series of progressive policies enacted by the Jim Hunt administration in the early 1980s - a great record of local experimentation and adaptive improvisation that had a deep understanding of the North Carolina context.

But the point remains that an innovative and entrepreneurial economy requires constant nurturing and attention lest the regional edge is lost. Can this region become even more vibrant and entrepreneurial? Only time will tell, and it is up to North Carolinians to define a new way forward. Certainly this is no time for complacency either on the part of state officials or local business leaders. The future of the Research Triangle Park region will be what we make it.

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