

# Regeneration and ICT

Capturing sustainable benefits from Information and Communications Technologies poses serious challenges to the regeneration and inward investment community, argues Alan James.

For many years now, driven partly by the availability of Government and EU grants, the economic development world has focused its attention on both tourism and Information & Communications Technologies [ICT] as *twin* drivers of economic regeneration in geographically, socially and economically peripheral regions. With good reason: correctly developed and powerfully marketed, both successful tourism destinations and e-businesses can create a 'magic inversion of distance' – perhaps the perennial Holy Grail for regeneration and economic development leaders in Europe's post-industrial fringelands.

Grossly simplified, for both tourists and digital data, mere distance from a metropolitan market is not a disadvantage per se. Indeed, given appropriate marketing, usually articulated around 'quality of life' for visitors and remote workers, sheer remoteness can even be promoted as a positive advantage.

Almost every regional economic development agency in Europe with a former industrial periphery on its hands is now trying to couple the 'people pull' of classical tourism to the 'technology push' of ICT investment. Of the two, ICT has been the major priority, and is the focus of this article; tourism aspects are covered by other contributors.

The social and economic agenda has been very largely about connecting bypassed peripheries to the new, thriving centres of the information economy. Fine in theory, but the practice has often been flawed.

It has often been a case of 'learning to fight the last war just in time for the next'. Some regions have myopically chased investment by the manufacturers of the *hardware* of the ICT revolution: chips, computers, systems. In the long run, this is just a recipe for *another* wave of industrial decline. This investment in memory factories and peripherals plants will itself inevitably be exported to the Third World 'ultra-periphery' where globalised manufacturers can exploit unit labour rates well below those the First World, with its high social costs, can ever hope to match.

Other regions tried belatedly to enter the 'Silicon Valley Clone Park' competition. But it's already 'game over' for them. The business has already gone to Sophia Antipolis, to Uppsala and to Cambridge. By the time the obligatory 'Silicon Suffix' PR puff piece is written, the hoped-for inward investors are long gone. Silicon Fen you can take, Silicon Bog begins to stretch the point, but Silicon Ex-Shipyard ('which we've been trying to shift for twenty years') won't pull the wool over anybody's eyes.

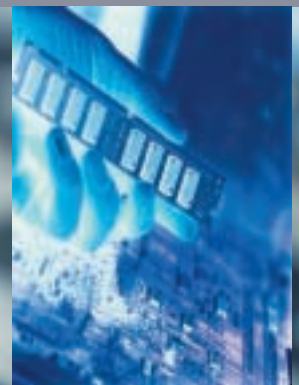
The long-term winners are those who are investing, say, 10% or 20% of their public funds in fat pipe, big bandwidth connections to the rest of the cyber-universe and then putting the bulk of their resources into marketing and promotion to attract e-content generators to do their sexy stuff *using* the infrastructure.

## Traditional creative industry locations have built-in advantage

But even where the skilled employment of the digital age *is* being created, traditional locational factors have been arguably just as important as planned economic development programmes. The very brightest clusters of high-skill, low-nuisance pony-tail enterprises have developed organically around traditional hubs of the now-waning analogue media industry, not necessarily where the weapons of classical economic development have been aimed.

In the UK, for instance, this means that Brighton and Cardiff (both building on a traditional media base, further underpinned in Wales by the Welsh language broadcasters) have developed into meaningful counterweights to Soho, whereas consciously planned initiatives in other areas have not.

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Former industrial peripheries will never be ICT hardware centres

One reason for this is that the closely knit skills networks developed during the late-analogue era of broadcasting – when Channel 4 began the industry-wide trend for outsourcing programme making to independents – has been retained. As the key players (in programme commissioning, advertising, design etc.), who control the main channels to market, themselves migrate to digital platforms, their outsource suppliers must in turn update their skills. This process then creates centres of gravity for the new-skill specialists, in areas such as computer-generated animation and special effects, for whom the pre-digital era is a hazy memory and the virtual future an everyday fact of creative and professional life.

## Realities and myths

So, on the foundations of the traditional creative industries the turbine halls of new economy are being built. However, much public sector-led ICT investment in areas lacking a traditional media skill base often ends up creating low-skill datajock jobs in the muddy downstream below the dam. Call centre employment with frightening rates of churn is hardly in the same league as superskilled creatives using hyperfast animation engines to produce the full-motion *Meisterwerke* of the Digital Age.

With very few exceptions, such as the growing e-skill networks in the Scottish Highlands and Islands, the truly highly skilled e-value creators of every regenerator's dreams still tend largely to be found in the areas favoured by their analogue ancestors.

But nobody really wants to believe it. Alarming, one of the commonest reactions amongst policy makers to this economic reality is to retreat further into almost mythical belief that the shiny new thing called 'ICT' will bring a *new kind* of regeneration and economic development, *wherever it is practised*, creating *new sorts* of jobs for a new, technologically empowered citizenry.

One of the commonest and, indeed, most attractive, myths of ICT-led regeneration is the image of the post-industrial periphery as a sparkling spiral nebula of some great digital Renaissance, where each point of light is the *atelier* of an artist-creator in a new Age of Enlightenment.

But the reality is far more prosaic: it's about slapping up easy-build sheds with a modicum of landscaping as quickly as possible to house the voracious data-mines and info-factories of the new economy. Admittedly, such initiatives can create employment and create it rapidly. But the *types* of jobs created in these new dungeons of drudgery are *even more rapidly* exportable to the bleak periphery of undercut and exploitation than the industrial employment they replaced.

At the dataface in some dreary financial services call centre all the myths fall apart. 'The knowledge-based economy' is about as meaningful to the *individual e-worker* prairie-dogging in the cube farm as 'the industrial revolution' was to the miner at the coalface. Now, as then, it's simply about the organisation of toil. The physical danger may be infinitely less, but the sheer alienation is arguably even greater.

For the public sector to over-incentivise the creation of 'cheap and nasty' jobs with no guarantee that they will be sustained begins to look like regenerating without due care and attention. Sustainable economic development in the Age of Informatics demands a new approach.

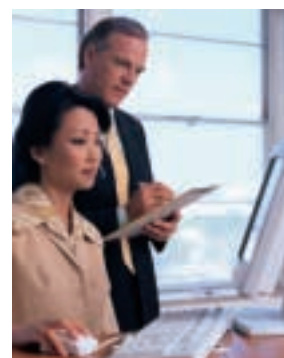
If the myths of an educated, skilled-up population empowered by ICT are to be turned into reality – and it is surely by doing so that a city, region or nation will secure long-term competitive advantage – then it is people who must come first. Individuals need education and training to develop the sheer creative ability required to unleash the real economic power of ICT: the ability to *link* the individual to the global circuits of knowledge *without constraining* the ways they apply the knowledge they control.

It is, of course, far harder to deliver personalised programmes of empowerment to thousands of individuals than packages of incentives to tens of companies. But simply continuing to churn out top-down, infrastructure-driven regeneration is bound to fail in the long run. Why? Because everybody with half-decent incentives and a persuasive inward investment team can hustle a few jobs on to a brownfield 'High Tech Park' surrounded by razor wire and CCTV cameras. The genuinely sustainable macro-economic upside lies in developing a higher skill level in the general population 'beyond the fence'. Flexible networks of educated, linked individuals will still be in business long after the tumbleweed starts blowing through the abandoned call centres of Europe and North America in the mid-2010s.

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Call-centres: where the myths of the 'new economy' tumble down



Hubs are being created around existing networks