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It Isn't Magic

Fiber networks – even gigabit networks – don't magically generate economic growth. Communities must draw the connection.

For the 10th consecutive year, **BROADBAND COMMUNITIES** devotes the year's final issue to the relationship between broadband and economic development. A decade ago, broadband's effect on economic development was still speculative. Today, multiple studies all over the world have confirmed that more broadband can lead to more jobs, higher income and more business success. A new "Giganomics" model introduced by David Sandel at **BROADBAND COMMUNITIES'** recent economic development conference confirms that, under the right conditions, superfast broadband can yield super results.

Best of all, bandwidth-fueled economic development isn't a zero-sum game. Communities don't have to steal jobs from one another – they all benefit as individuals and businesses become more productive and creative.

However, economic development doesn't happen by itself. We have all heard of fiber networks that fizzled and failed to produce the desired results. Perhaps their operators offered me-too products at me-too prices or didn't communicate the networks' benefits well enough. Or perhaps their communities' overall economic development climates were so poor that even great networks couldn't make up the difference.

As Sandel states, "Economic impact is not guaranteed. Intentional focus is necessary to achieve these results."

UTILIZATION IS NEEDED

What should be (but isn't always) self-evident is that for networks to affect local economies, they must be well utilized. When broadband first became available, consumers, businesses and application developers seized upon it gleefully, freed from the constraints of dial-up Internet.

Today, however, increasing broadband utilization isn't so easy, especially on high-bandwidth networks. Most individuals and businesses that don't use – or barely use – broadband today have financial, educational or other hurdles that must be addressed. And because today's new productivity-boosting applications are less obvious than email and e-commerce were a dozen years ago, even expert broadband users may miss opportunities to benefit.

That's why this issue includes several articles about educating individuals to use broadband for personal productivity and skills development and educating businesses to become more profitable through broadband. These programs help participants, and they also help network operators, communities and local economies. Developing technology skills isn't the most common approach to promoting economic development, but it's a valid and time-tested one. (It's also less expensive and more effective than offering tax incentives.)

This issue also reports on a variety of other broadband-related strategies that cities are using, such as promoting dialog and collaboration across economic sectors, funding business incubators and encouraging startups in other ways, aggregating demand, and identifying community assets that are valuable to broadband operators.

To quote Sandel again, "Building a successful gigabit city is 90 percent sociology and 10 percent infrastructure." Those who hope to succeed at a gigabit transformation must be conversant with both. ❖

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