

Shifting Values in Binghamton Through Micro-Institutions

Christopher Strunk
Catalysts for Intellectual Capital, CIC-2020
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Abstract

In order to create effective policies and incentives within the City of Binghamton, one needs a thorough understanding of the dynamics and relationships within the City's borders. At first glance, it is easy to observe that firms tend to locate near one another on streets that become well-known to local residents. When the right mix of amenities is gathered in one location, vibrant neighborhoods may emerge that foster creativity and cater to the sociological patterns observed by Jane Jacobs¹. These creative centers will draw attention from both residents and tourists, thus providing both central location for social activities and economic activities. As creative centers emerge within cities, opportunities for community organizing follow.

Community organizing refers to events that accommodate common interests among residents - whether it is a small event such as a book club, or a larger event such as a farmer's market or fair. These events bring together the micro-institutions within the City.

These drivers will lend themselves to the creation of a new model that will evaluate the government and institutions interactions, as well as the optimal allocation of resources. The model will evaluate these policies and initiatives in respect to their economic and social value to the community. After the model is put together, it could be applied to current sites that have

¹ Vandell, 116

already successful community organizing events to determine an optimal distribution of tasks between the government and the institutions.

The Affordability of Space

The availability and affordability of space is a primary concern for all cities, especially in Binghamton. In New York City, observers have noted that the “escalating rents and property costs have led to a severe shortage of affordable space, causing a shift in the city’s creative center of gravity to the other boroughs.”² This change in rent costs can be considered a competitive advantage for the City of Binghamton on a regional level due to the relatively low property costs and rents. These property cost dynamics have already started to have an effect on the artist community. Binghamton represents an area that is close enough to New York City to allow convenient travel for art shows, but still able to retain its own unique identity. Binghamton also has a certain type of flooring and architecture which is very valuable. Spaces with these types of flooring in Manhattan would cost \$500 per square foot, whereas in Binghamton similar spaces would cost only \$7 to \$9 per square foot. The spaces in Binghamton are very affordable in general, but in some cases they are not currently available for productive use.

The Availability of Space

In order to ensure the stability and survival of creative businesses, affordable space must be available for long-term leases.³ Simply having affordable space is not enough. Vacant space which is under-utilized does not fully contribute to the creative economy. While there are many vacant buildings within the area, many are being purchased by long-term buy-and-hold absentee

² Evans, 14

³ Evans, 16

investors. These investors are seeking profit in the future from hopefully rising property values. As the term “absentee investor” implies, these investors are not located in the immediate area and may often times be located in a different state altogether. While these investors are personally profiting, they are hurting the economy of the City of Binghamton overall. When these spaces lack a significant contribution to the City, they lose value from a social perspective. As they continue to become rundown and dilapidated, they may become an economic burden because they may increase crime rates. Unfortunately, this is the common outcome of the present-day market conditions. However, there are steps that Binghamton can take to insulate its properties from these market forces. The community should first evaluate whether or not the external market forces are helping or harming the economy. Some research has shown that the “most effective way to ensure access to affordable creative space on a long-term basis is by securing ownership of buildings.”⁴ This means that the spaces within the City should not be left alone and subjected to the normal market forces, but taken under the wing of the public sector.

Social Capital and Projects

The major problem brought about by the absentee investors and the market forces involves the notion of economic profit. One potential solution to this problem would be to evaluate our style of thinking and our approach to our investments. A renewed interest in social capital and projects may help foster the successful regeneration of the Binghamton area. Michael Woolcock, a prominent social theorist, argues that too little social capital will impede economic development.⁵ This works similarly to Richard Florida’s “Creative Class” model that states that the creative class is drawn to places which have desirable amenities. If there aren’t

⁴ Evans, 16

⁵ Woolcock, 168

enough amenities available to draw in the creative class, they will find areas which dedicate more resources to social capital and projects. The people who live and do business in Binghamton on a daily basis need to start looking at the City as a canvas that can be used to express themselves. Vacant properties and greenspace should not simply be considered development opportunities, but also considered untapped resources and an opportunity to express the City as a whole.

Woolcock's work also states that contemporary development strategies focus attention on macro-economic results without contributing much of the understanding to the micro-institutional foundations on which they depend.⁶ These institutions are already found in Binghamton. The Gorgeous Washington Street Association is very successful at providing the community with activities and events, such as the very popular First Friday. These micro-institutions arise from a group of connected people, whether it is based on a common location or profession.

One solution to this problem is to provide incentives for groups within the public and non-profit realm to purchase land. This has already taken place at the University Downtown Center (UDC). The UDC is held in public hands, through the University, and available to the public. As it is held by the University, it is productive to the City and stands as a center of research. The UDC becomes even more productive to the City when another aspect is introduced. If more socially minded institutions, groups and individuals acquire more properties, the City may continue to grow and the spaces will be better utilized.

⁶ Woolcock, 187

Risk Aversion and Public Art

Risk aversion is another aspect of the city which inhibits development and drives away the creative class. A lack of creative projects creates the impression that the general population has low tolerance. By engaging in more higher-risk projects, mainly including projects run by artists and designers, the population will begin to accept more and more of the artistic movement and move to a less risk-averse position overall. The proposed Heritage Zone is an example of a public art initiative. If implemented correctly and provided the right incentives with the appropriate governing organization, will result in the rejuvenation of many historic buildings within the city limits. This would not only greatly improve the aesthetics of the area, but also “restore the pride” in Binghamton’s history.

An Example of Risky Social Projects

One capital project that could be initiated is the street signs and lighting aspects of the infrastructure in the Confluence and Downtown area. This is a valuable opportunity for an Artist or Designer to create some innovative and unique system of streetlights and signage. This would have two main benefits. First, it would obviously make the City look nicer as a whole. This would be an opportunity to take some bold and risky steps and bring art into an everyday aspect of the City. Another benefit would be that clear signage and good lighting gives people an incentive to walk around the City more, increasing foot-traffic from residents, university students, and tourists. This increase in foot-traffic, as opposed to vehicle-traffic, would mean that more customers would be walking past shops and purchasing goods. It may also have an indirect Jane Jacobs-type collaboration effect. With more people walking to places, say to get

lunch at a restaurant with a client, there would be more run-ins and social networks might have a greater role in the community.

The Micro-Institution Effect

Micro-institutions are individuals, households, small groups and communities, or any grass-roots organization which organizes residents. These micro-institutions have many benefits to the community. First, they have gathered expertise for their specific industries or locations, whether it is a group of artists, merchants or mothers. They can more efficiently deal with situations and understand the needs of the population. They also build networks which helps spread and disperse knowledge among members of the community, contributing to further developments. By using a bottom-up approach, these micro-institutions would be the primary drivers of development, funding new projects and developing public works. If there were enough of these institutions, each individual firm or creative professional would have access to a large number of different resources and could develop a large support network.

Collaboration and Integration

This bottom-up organization relies on the integration and collaboration between different micro-institutions, which produces more social capital. These collaborations allow people to take advantage of a large range of services and resources such as job referrals and career partnerships to neighborhood watches to the sharing of supplies.⁷ Similarly, this increases the number of social ties within the micro-institutions' area of influence.

Integration itself is not enough to guarantee development. The City would also need to promote linkages between the community and institutions from outside of the community.

⁷ Woolcock, 171

Without these extra-community linkages, the residents will only trust other residents who are from the area. These linkages may be realized in working with groups from other regions or even students from other states and countries. Richard Florida's theory, which states that social ties are negatively correlated to concentrations of the creative class⁸, would be an example of a community with a lot of integration and without many extra-community linkages.

Top-Down Support

The local government has worked towards promoting the development of Binghamton. The best course of action to take in the future is to find the most effective and efficient allocation of time and resources. Due to the diverse range of industries and micro-institutions within the community, the local government does not have the capacity to handle all of the capital projects in the City by itself. The more efficient action might be to let the micro-institutions take charge of the projects they are deeply rooted in. If the government forges and sustains social relations connecting top-down resources and bottom-up networks, a more efficient community would evolve and develop. In *Creative Cities: Lessons Learned*, researchers found that effective creative city strategies need strong connecting infrastructure that is stable and spans the entire city and each micro-institution.⁹ The City has already made strides toward providing an integrating infrastructure though investing in a wireless network which provides support to some residents of the City. A similar program was enacted in Berlin and Helsinki, which ended up bypassing a significant portion of the population. This, in turn, reinforced social exclusion within those regions. Future plans should be carefully analyzed and crafted as to not further foster social exclusion.

⁸ Florida

⁹ Evans, 22

Concluding Recommendations

Various models have been analyzed and compiled to form a list of qualities that may be examined and actions to consider. While these actions have worked for some cities around the globe, Binghamton might not have the same benefit. A large portion of these models rely on the assumption that most individuals and households will be reached through the given set of micro-institutions, which is unlikely to happen in practice. The important outcome of this research is that traditional ways of thinking are challenged, new opportunities are realized, and new questions are asked.

The summary of recommended actions is as follows:

- Take advantage of the affordable spaces and promote their renovation
- Ensure access to affordable creative space on a long-term basis by securing ownership of buildings
- Encourage risky social projects and public art
- Understand the role of micro-institutions in community and economic development
- Provide an incentive for micro-institutions to seek each other out and collaborate on projects
- Support new micro-institutions and increase their public exposure
- Continue to establish an infrastructure that fosters integration and linkages
- Create long-term plans which include micro-institutions

Works Cited

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