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Article published Aug 31, 2008

Mega-regions: We're in world's 2nd-largest economy

They're called mega-regions, were born under the illumination of night, and a prominent social theorist has us living in the second largest one on Earth.

New Hampshire and Maine — from Portland south — are considered the "northern edge" of the 500-mile Boston-Washington, D.C., corridor that Richard Florida, author and professor at the University of Toronto's Joseph L. Rotman School of Management, has found generates \$2.2 trillion in economic activity.

For context, \$2.2 trillion is larger than all but two economies as measured by national boundaries — the United States and Japan — Florida wrote in a research paper.

"That Eastern Seaboard of the United States is really the economic powerhouse," fueled by the technology industry, said Steven Pedigo, who analyzes economic and consumer trends for Florida's Creative Class Group.

The mega-region concept has the potential to change the way regions, let alone nations, shape policy and size up global competition, Pedigo said. Instead of the United States competing with entire countries like China or India, the focus should be on the countries' economic centers, he said.

In an e-mail to Foster's, Pedigo described a mega-region as an area "that hosts business and economic activity on a large scale, generating a lion's share of the world's economic activity and an even larger share of the world's innovation and technological discoveries."

New Hampshire and Maine's portal to the 54 million people-strong economic unit has long been Boston, Mass., largely due to commuting patterns and the rise of technology jobs, said University of New Hampshire professor Ross Gittell, who specializes in business and regional development.

Still, one expert warns against thinking the northern states rely on their neighbor to the south.

Rather, there "is a beneficial synergy," said Christopher St. John, executive director of the Maine Center for Economic Policy.

Across Maine's York County, an increasing number of people are commuting to work in Portsmouth, N.H., or Boston, but a lot of investment, especially with real estate, comes from people who live in the Boston, New York or D.C. markets, St. John said.

"We offer them space and natural beauty and people willing to work hard.," he said. "We're not beggars. We have things to sell."

The foundation for the mega-region was set a half century ago, when French geographer Jean Gottman coined the word "megalopolis." Now, university professors, business executives, economists and lawmakers are contemplating the idea, explaining the benefits — mobility, diverse labor pools, job opportunities within a fairly short distance and quality of life — and the challenges — namely, keeping an economic edge by strengthening regional connectivity.

New Hampshire's benefited over the last two decades from regional growth, particularly as it's gone

from a medium- to high per-capita income state, Gittell said. Yet, he cautioned, "we have to be distinct in the mega-region just like we have to be distinct in the national economy and the global economy."

Stacy VanDeveer, a UNH political science professor who specializes in public policy, said the challenge for policymakers is maximizing the state's potential, such as building a robust mass transportation network. He said the lack of a single regional government body to implement such a system is stymying progress.

"We can do plans but we don't have any organization to implement those plans," VanDeveer said.

There are planning commissions, "but how those can relate to something like a mega-region — or how they can figure out how to cooperate with entities in Massachusetts where they might need a joint project together in New England — we're still not very good at that."

New Hampshire State Sen. Peter Burling, D-Cornish, chairman of the New Hampshire Rail Authority, said more than anything else, the challenges are funding and "political will."

Burling's working to restore a 19th century rail line so there can be light rail from Concord to Boston. He said he also backs a broader vision to see Boston's North and South stations connected underground so northern New England residents can travel from Concord to D.C.

"If you can move people swiftly from Concord through Boston to New York, and if you could do that in rail ... cars with Wi-Fi, imagine the productivity increase relative to people sitting on Route 95 going nowhere," he said.

David Mullen, interim executive director at the Pease Development Authority in Portsmouth, had his own take on the challenges facing New Hampshire's rise within the mega-region: the loss of young, skilled workers attracted to cultural and job opportunities of the big cities, and a short supply of affordable housing along the coast.

But at least one business doesn't see that as a major problem.

NitroSecurity, an information technology firm, set up shop in Portsmouth in 1999, attracted to the state's "corporate friendly environment," said Frank Hayes, vice president of marketing.

"We can tap into the labor pool of greater Boston, southern New Hampshire and give them a reverse commute," he said, "and we have access to capital."

The company has 70 employees, half working locally and the rest in Pennsylvania, Virginia and Idaho. The business has clients worldwide, Hayes said.

The Boston-to-D.C. corridor is ranked eighth among 40 significant worldwide mega-regions in patents and innovations. But what primarily marks it as a region apart is the "LRP" — light-based regional product.

The "LRP" designation was explained in a 2007 paper Florida penned with Tim Gulden, a research scholar at the University of Maryland School of Public Policy, and Charlotta Mellander, research director at The Prosperity Institute of Scandinavia.

"We distilled estimates of economic activity by using satellite images of the world at night," they wrote. "This produces tens of thousands of lighted patches representing the full range of settlement sizes — from the largest mega-regions covering thousands of square kilometers to small villages"

The team found the top 40 mega-regions, accounting for 17.7 percent of the world's population, produce 66 percent of economic activity, 85.6 percent of patented innovation and 83.3 percent of the

most-cited scientists. The largest mega-region is Greater Tokyo, with 1 million more people than the Boston-D.C. corridor and \$2.5 trillion in economic output, Florida wrote in *The Wall Street Journal*.

Pedigo said the regional economies within mega-regions need to recognize their overlapping qualities and "start to act like one."

Mullen agreed, saying "we're not living on an island — we have to work together."

Still, each state needs to maintain its identity, its unique contribution to the whole, he said. Otherwise, "you lose the cultural integrity of diversity."

The Creative Class Group is online at creativeclass.com.
