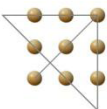
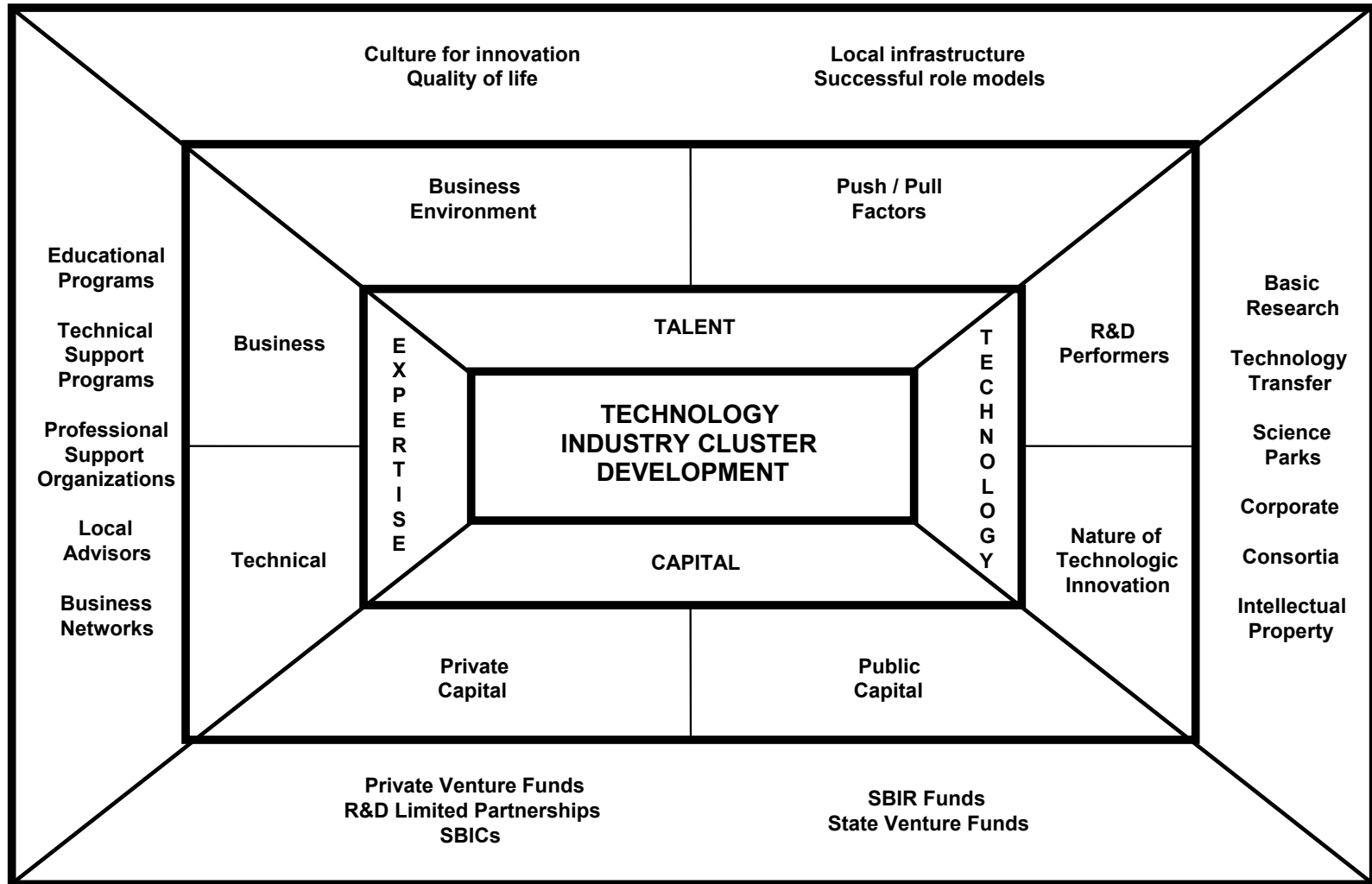


## Industry Cluster Development



# The Third Wave of Economic Development

	1st Wave 1930s-1970s	2nd Wave 1980s-mid 1990s	3rd Wave <i>Going Forward...</i>
<b>Problem</b>	Lagging regions	Structural change	Declining competitiveness
<b>Extent of Problem</b>	Firm specific	Episodic, firm specific	General, systemic
<b>Goal</b>	Attract plants	Create jobs	Improve competitiveness Increase regional wealth
<b>Targets of Policy</b>	Relocating or new plants of large corps.	New or expanding business (often small businesses)	Groups or clusters of mutually reinforcing, high value-added globally-focused firms & enabling infrastructure
<b>Means</b>	Market the area, give subsidies	Disjointed programs (training, capital, etc.)	Integrated provision of support services & infrastructure
<b>Tactics</b>	“Smokestack chasing”	Respond to requests that firms define	Lead firms in new direction Map the future
<b>Organization</b>	State departments of commerce	Multiple state organizations	Business-led, public/private, locally / regionally operated
<b>Measurement</b>	Number of firms attracted	Number of jobs attracted/retained	Increased firm competitiveness (productivity, new products, etc)

