The Small-Mart Revolution

How Local Businesses Are Beating the Global Competition

10/5/2006
Basic Points

I. The Value of Small-Marts

II. The Competitiveness Of Small-Marts

III. Collaborative Strategies for Small-Marts
Caveats for an Ugly American

- Data Largely U.S.
- Probably Applicable
- Welcome Discussion of Difference
The Struggle Over Capitalisms

TINA

VS.

LOIS
TINA—There Is No Alternative

- Get Toyota
- Prioritize Export-led Development
LOI S– *The Alternative*

- **LO:** Local Ownership
- **IS:** Import-Substituting Development
Local Living Economies

- Local Owned
- Self-Reliant & Exporting
- Socially Responsible
I. The Value of Small-Marts

Business Subsidies in Lane County (OR)

Cost Per Job

- LOIS
- TINA
#1 Greater Wealth
#2 Fewer Catastrophic Exits
#3 Higher Standards
#4 More Sustainable

- Minimize Transport
- Stay within Own Resources
- Shame
- Special Risks of Large Scale
#5 Better Workplaces

- Alienation & Opportunity
- Mobility v. Local Standards
- Public Policy More Important
#6 Higher Multipliers

Impact of $100 Spending (Austin)
#7 Less Vulnerability
#8 Smarter Growth
#9 Weirder Downtowns
#10 More Creative
#11 Better Society

- Greater Equality
- Greater Social Stability
- Less Welfare
#12 Healthier Democracy
II. The Competitiveness of Small-Marts
4 Myths About Small Business

- Rare Part of Economy
- Most Fail
- Most Can’t Innovate
- Most Can’t Compete
Excluded from GDP Data

- Household Work (25% GDP)
- Volunteer Labor
- Black Mkt Econ. (10% GDP)
- Overall (40% GDP)
4 Myths About Small Business

- Rare Part of Economy
- Most Fail
- Most Can’t Innovate
- Most Can’t Compete

Net Births of Firms (2000-2001)

Small: +32,000
Large: -200
4 Myths About Small Business

- Rare Part of Economy
- Most Fail
- **Most Can’t Innovate**
- Most Can’t Compete

**Recent Performance**
- 60-80% New Jobs
- 13-14x Patents
4 Myths About Small Business

- Rare Part of Economy
- Most Fail
- Most Can’t Innovate
- Most Can’t Compete
Why LOIS Lost 3-4% Market Share Over Last Decade?

- **Subsidies**
  - $50 Billion State/Local
  - $63 Billion Federal

- **Equity Markets Bias**

- **Trade Rules**

- **1001 Legal Wrinkles**
Reasons for Optimism

- Buy-Local Movements
- Global Trends
- Case for Jurassic ED Falling Apart
Reasons for Optimism

- **Buy-Local Movements**

- **Global Trends**

- **Case for Jurassic ED Falling Apart**
Reasons for Optimism

- **Buy-Local Movements**
- **Global Trends**
- **Case for Jurassic ED Falling Apart**

“Even before terrorists leveled the World Trade Center, economic and technological forces were combining to decentralize the economy. Sept. 11 will only reinforce these centrifugal forces...”

- Wall Street Journal
III. Collaborative Strategies for Small-Marts
Six Degrees of Collaboration
#1 Mobilize Entrepreneurs

- Youth Entrepreneurs
- Mentorship
- Community Schools
- Incubators
#2 Mobilize Small Businesses

- Bazaars
- Direct Delivery
- Flexible Manufacturing
- Producer Cooperatives
#2 Mobilize Small Businesses

- Bazaars
- Direct Delivery
- Flexible Manufacturing
- Producer Cooperatives
#2 Mobilize Small Businesses

- Bazaars
- Direct Delivery
- **Flexible** Manufacturing
- Producer Cooperatives

---

Features of the Emilia-Romagna Miracle

53,000 Manufacturing Companies

97% Have Under 50 Employees
#2 Mobilize Small Businesses

- Bazaars
- Direct Delivery
- Flexible Manufacturing
- Producer Cooperatives
#3 Local Consumer Mobilization

- **Coupon Books**
- **Labels**
- **Buy Local Weeks**
- **Local Gift Cards**
#3 Local Consumer Mobilization

- **Coupon Books**
- **Labels**
- **Buy Local Weeks**
- **Local Gift Cards**
#3 Local Consumer Mobilization

- Coupon Books
- Labels
- **Buy Local Weeks**
- Local Gift Cards
#3 Local Consumer Mobilization

- Coupon Books
- Labels
- Buy Local Weeks
- Local Gift Cards
#4 Other Demand Mobilization

- B2B
- B2G
- Global Consumers
#4 Other Demand Mobilization

- B2B
- B2G
- Global Consumers

$2 Trillion
#4 Other Demand Mobilization

- **B2B**
- **B2G**
- **Global Consumers**
#5 Investor Mobilization

- Create Local Stock
- Invest Public $$$
- Local Exchanges
#6 Public Policy Reform

- Tax Law
- Securities Law
- Incentives Law

40% Credit
#6 Public Policy Reform

- **Tax Law**
- **Securities Law**
- **Incentives Law**
#6 Public Policy Reform

- Tax Law
- Securities Law
- Incentives Law

$50 Billion
Final Points

Chambers of Commerce
Final Points

◆ Chambers of Commerce

◆ BALLE Chapters
Final Points

- Chambers of Commerce
- BALLE Chapters
- Profitable Ventures
Patrick Henry: (with minor edits)

“Why stand we here idle? Is life so dear or peace so sweet as to be purchased at the price of chains...? Forbid it, Almighty God. I know not what course others may take, but as for me, give me community or give me death!”
For More Information:

Michael Shuman

202-364-4051
shuman@igc.org
www.smallmart.org