

FELLOW NOTES

BASEBALL, NEIGHBORHOODS, POSITIVE NETWORKS, AND PUBLIC GOODS

“Technology will help the global public good as much as housing and food.”

Ronald K. Mitchell | January 5, 2016 | [Print](#) | [Facebook](#) | [Google+](#) | [Twitter](#) | [LinkedIn](#) | [Email](#)



Summer days in Red Deer Alberta, Canada (52.2681 N. Latitude) could be long (sunset was around 10 pm). As these days wore on, creativity was required to keep us kids entertained. So one summer day in the early 1960's, when I was about age 11, we all decided to build a baseball diamond and challenge our dads to a father/son game. On a huge (to us) vacant property north of our homes and bordered on one side by woods, we laid out a regulation ball field: 60 feet base to base, with an outfield boundary about 250 feet out from home plate, etc.

ABOUT RONALD K. MITCHELL



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For days on end we built, scavenged, and fundraised – mainly by collecting and redeeming beverage bottles, the profits (about \$12 total) of which we used to buy baseline-lime, bases, bolts, and nails. We mowed, measured, and made-do. For transportation we walked. For the backstop we felled trees from the woods, and scavenged chicken-wire. For recruitment we visited all the homes in the neighborhood with homemade flyers. Once the diamond was built, we practiced.

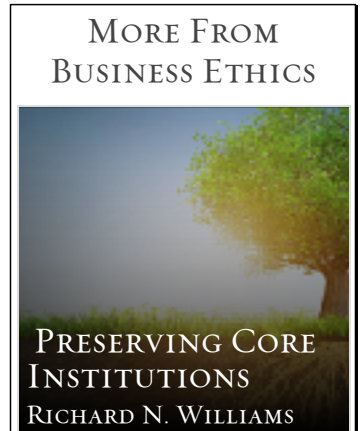
"Living in our neighborhood was never quite the same after that."

Eventually the big day arrived. We played, and we lost. But to us it seemed like the whole neighborhood showed up. Kool-Aid, sandwiches and cookies showed up too. To me personally it was a most joyous occasion! Living in our neighborhood was never quite the same after that. Before the game, everyone knew someone. After the

game, everyone knew nearly everyone. In later years this same neighborhood would work together time and again to build parks, tracks, hockey rinks – and many more ball diamonds.

I have thought a great deal about this over the years since then. On the surface it was a neighborhood baseball game. But it now seems to me that at a deeper level this event was a pattern for the production of public goods (something provided without profit to all members of a society). It was not so much the baseball game itself that led to public goods production by a bunch of kids; rather it was the social connections – the relationships – that arose to enable the “game” that set the fundamental pattern for how these public goods, and their consequential benefits, were created. Stakeholder scholars would call this fundamental pattern a pattern of *stakeholder networks*. Economists would call it a pattern of *positive network externalities*.

Earlier this year (2015) Joseph S. Nye, Jr., University Distinguished Service Professor



and former Dean of Harvard's Kennedy School of Government characterized the next "American Century" as one where the USA provides not only "global public goods"^[1] such as military security and access to markets to countries around the globe; but continues the world-wide expansion of the national public goods it has provided to its own citizenry (e.g., property rights, an entrepreneurial culture, deep capital markets, a mature venture capital industry, and a tradition of close relations between universities and industry that enables more innovation and commercialization of technologies, and so on) to thereby provide [a timely version of] global public goods for the global community. Nye argues that this transformation will be made possible by creating and influencing "new types of networks among global contributors and multi-stakeholder institutions."^[2]

A good deal of my scholarly life has been spent considering the nature and development of stakeholders, and multi-stakeholder institutions. And it seems to me that when we consider the stakeholders in our global economy, we are, thus far, woefully short of the kinds of global public goods that can enable new multi-stakeholder institutions to support more economic opportunity within the global community. My research indicates that by enabling the multi-stakeholder "institutions of innovation" to grow and to stabilize,^[3] this, in turn, will enable the social connections necessary for those who live in the bottom economic tiers to earn a better living. My reading of demographic data indicates that in the last 15 years, over 2 billion youth have joined us on the planet; and that over the next 15 years another 2 billion will arrive. While not all of these are in the bottom economic tier, almost 6 billion of the current 7 plus billion live in the second, third, and fourth tiers. What global public goods might be helpful?

In answering this question, I have also spent a good deal of my scholarly life in considering the implications of a very positive view of entrepreneurship. Based upon the premise that there is "inherent value in human relationships" and that "much of this value does not emerge due to the social obstacles that inhibit its emergence," I, along with my research collaborators, suggest that entrepreneurship is simply the removal of these obstacles by entrepreneurs, so that value inherent in human relationships can emerge.^[4] What are the obstacles? Briefly, they are:

- *Information obstacles.* Most people do not know who needs what; and even if they did they may be overwhelmed with simply processing that information.

- *Relational obstacles.* Most people would rather endure certain loss rather than risk uncertain gain; and they would rather avoid both, due to not knowing how to resolve uncertainties in economic relationships.
- *Resource obstacles.* Most people do not have the skills necessary to create competitive products and services; and presently the barriers to acquiring these skills are too high.

I have developed a personal conviction that global public goods to enable multi-stakeholder entrepreneurship institutions for many more of our world's youth – for example, for them to become primary participants in e-commerce – are likely to be information technology (IT)-based. I believe that, like housing-focused public utilities that enable a great many high-quality homes to be built, global entrepreneurship-focused public goods, “the public utilities of entrepreneurship and innovation,” can and ought to be built as part of our global IT infrastructure. What would these utilities do? Through the social connections they foster, the public utilities of entrepreneurship and innovation would enable the youth of the world to reduce the information, relational, and resource obstacles to invoke the release of the inherent economic value that exists in human relationships. For example, one of these proposed global public utilities is the Expert Mentor Project (see my 2012 TEDx talk: <https://www.youtube.com/watch?v=6yvwh7B-75Q>), where the information obstacle that occurs when there is little or no access to those with entrepreneurial expertise can be overcome through social-connection-enabling IT.

The connecting of people within our global neighborhood

Other similar projects are also on the drawing board. No, it's not a neighborhood baseball game. But it is similar in purpose: the connecting of people within our global neighborhood according to the tried and true pattern for how public goods – and their consequential benefits – can be created. Imagine a global-public-utilities of an entrepreneurship-connected Malaysian young person in a remote location, but with smartphone access, who has learned an information-based skill (say, trading copper futures), being able to earn a good living through having an entrepreneurial business that's tied into the global economy. Imagine multitudes more, connected in such new types of networks among global contributors and supported by the multi-stakeholder institutions that such IT public

utilities represent.

So when economists speak of positive network externalities they mean the fundamental value-creating pattern where some users of a good or service impact the value of that good or service for others. Simply stated, they mean a bunch of kids creating a whole new ballgame. Let's help them.

[1] Nye, J. S. Jr. 2015. *Is the American Century Over?* Malden MA: Polity Press, p. 122.

[2] 2015, p. 124.

[3] Li & Mitchell, 2009. The pace and stability of small enterprise innovation in highly dynamic economies: A China-based template. *Journal of Small Business Management* 47(3): pp. 370-397.

[4] See, for example, Mitchell, R. K., Mitchell, J. R., Zachary, M.A. & Ryan, M. R., 2015. Simulating socially-situated cognition in exchange creation, in *The Handbook of Entrepreneurial Cognition*, Mitchell, J. R., Mitchell, R. K. and Randolph-Seng, B. (Eds). Cheltenham, UK: Edward Elgar, pp. 412-447.