

Emerging ICT-Markets: Are they reliable? A story from Berlin

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According to the latest media reports, the information and communication technology (ICT) sector is currently in a paradise-like condition. Especially when it comes to start-ups, some cities -most notably Berlin- show high numbers of new enterprises. As a center for start-ups, Berlin is currently challenging well-established cities like Munich. But can this development be said to be sustainable? Based on current empirical research, Volker Wiedemer examines the most recent developments of the ICT sector and shows possible borders that will influence the regional future development of ICT markets. Empirical data has shown that founding in the ICT sector is not only happening in metropolitan areas but also that the concentration difference is a lot lower than conveyed by media. There are a number of successful and awarded start-ups even in rural and structurally weaker areas. The most important reason for choosing a location is the life balance compatibility and not the vicinity to ICT locations as emphasized by media. Empirical studies have also shown that the profitability of ICT enterprises needs to be evaluated very critically. A large number of Berlin's ICT founders are rating the profitability of new business models at the location skeptically. The examination of enterprise dynamics in relation to sales and employees shows that fast growing start-ups are an exception in the sector of ICT. Most start-ups still remain micro-enterprises. This explains why the number of regular employees in the ICT sector remains low. Even in Berlin, this number is less than five percent. The latest international debates about pushing industrialization efforts, stirred even more by the last financial crisis, will not endanger the development of service-oriented ICT enterprises, but will open up new business opportunities.

The Economics of Communication Communication in Business Cycles

Web and Internet technologies initiated the fourth industrial revolution in less than 20 years since their entry into mainstream communication scenarios, significantly changing economics and society. Digitization and mobile technologies speed up communication and provide the tools to control value chains of ever increasing complexity, that have long crossed the limits of single organizations or countries.

How can information and communication technologies help to establish fair and sustainable models of global and local economies and overcome serious disadvantages of current market forces?



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