

Competitiveness

Preserving the Vital Center

Renew the Economy of the Industrial Heartland

Background

The United States is experiencing a profound economic transformation driven by globalization and our transition to an economy based on knowledge. America's Great Lakes region, once the core of the nation's industrial production and wealth creation, is struggling to maintain its ground. This 12-state region reaches from Buffalo and Pittsburgh in the east, to Minneapolis-St. Paul and St. Louis in the west. Some parts of the region, such as Chicago and the Twin Cities, are thriving in the knowledge economy, while other communities, like Buffalo, Detroit, Cleveland, and Milwaukee, are losing jobs, talent, and economic vitality. At this critical moment, federal investment in U.S. competitiveness lacks a regional focus. Federal policy fails to recognize that national growth is driven by integrated regional economies with the strong underlying assets necessary for talent creation and innovation.

Recommendations

The competitiveness agenda of the next President should include an investment strategy that focuses on regional assets and institutions that steer the transition to the knowledge economy. Specifically, the next President should focus investment to:

- tap the Great Lakes region's unrivaled educational infrastructure to produce the talent needed to compete in the 21st century, by fostering a "Great Lakes Compact on In-State Tuition" and a "Passport to Higher Education"
- expand the public-private research and development infrastructure in the region to cultivate the technologies of the future
- promote sustainable development within the "North Coast"
- strengthen economic integration with Canada, creating a new mechanism for bi-national coordination and cooperation on transportation and other issues
- enlist the region's labor, business, civic, and political leadership to remake the nation's social compact—and thus spur competitiveness—through a regional health care consortium and a portable defined-contribution pension plan



Key Facts

- more than a third of the nation's manufacturing job losses from 2000 to 2005 occurred in seven Great Lakes states
- colleges and universities in the Great Lakes states annually produce 38 percent of all U.S. bachelor degrees, 36 percent of all science and engineering degrees, and 37 percent of all advanced science and engineering degrees
- the Great Lakes watershed includes one-fifth of the world's fresh water and almost 11,000 miles of coastline

A full version of this proposal, as well as supporting background material, is available at www.opportunity08.org

About the Authors and the Project

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John C. Austin is a nonresident senior fellow at Brookings. He is also a senior fellow with the University of Michigan's School of Education. He is an expert on various topics that include international and national economics, higher education and workforce policy, and urban policy. His previous positions include policy director for the Michigan Lieutenant Governor's Commission on Higher Education and Economic Growth.

Paul Dimond

Paul Dimond is senior counsel at Miller Canfield. He practices in the areas of public law, business services and finance, venture funding and start-ups, real estate finance, and product litigation and torts. In 1993, he was appointed by President Clinton to serve in the White House as special assistant to the President for Economic Policy. In 2003, Governor Jennifer Granholm appointed Dimond to her Council of Economic Advisors and named him chair of its Business Growth and Entrepreneurship Committee.

Bruce Katz

Bruce Katz is Brookings vice president and founding director of the Metropolitan Policy Program. His expertise includes major demographic, market, development, and governance trends affecting cities and metropolitan areas. Katz was chief of staff to former U.S. Department of Housing and Urban Development Secretary Henry G. Cisneros, and staff director of the Senate Subcommittee on Housing and Urban Affairs.

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