

Sectoral Approaches to Workforce Transition—Discussion

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Regional Economists & Communities

- My focus is long-term prosperity—less interested in short-term prosperity.
 - Chaotic movement from crisis to crisis has not served Michigan communities well
- Less interested in sectoral ebbs and flows
 - Dynamic regions can withstand shocks that occur in market economy— “creative destruction.” Frees up resources for the new growth industries.

- Domestic auto industry will employ fewer and fewer workers under even the most rosy scenario—i.e., to be competitive (or survive) it must be productive!
- The point is that different sectors will have to replace lost auto jobs if Michigan is to thrive.

- Successful regions will have productive, innovative workforces.
- Workforce training becomes important in this environment.
 - **Economists point out that gov'ts are terrible at picking sectors**, but they can facilitate the creation of a workforce that will attract the “sectors of the future” to locate in Michigan.
 - Microsoft and Seattle in 1978.

- Green Economy and Green Energy strikes most economists as a growth industry—but slow in terms of absolute job creation. Over decades (much like electricity 100 years ago).
 - Environmental amenities are different
- But Green Energy sector has to be competitive to be sustainable. It can't be a massive jobs program if it is to be lean and competitive. But cognitive dissonance sets in.
 - Also, every one of the 50 states and 3,100 counties believes they are going to be the home of the green economy. Most will NOT succeed.

- The point is regions should focus on the basics of quality of life, productive workforce, good infrastructure, efficient gov't, and coherent governance that reflects 21st Century.
- Good news is that communities are very resilient and return to long-term trend after huge shock.
 - E.g., base-closing literature, natural disasters, Allied bombing campaigns in WWII, etc
 - Bad news is when the long-term trend is “down the drain.”

Thank you

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