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 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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