

## Elements for Success: How does Detroit Rebuild?

By Daryl Williams

What has become clearly apparent is, the rebuilding of an economy is not an easy task. There are numerous moving parts in an economy as well as regional and local considerations that make an economic turnaround a complex mix of the four critical elements for a healthy economy, these elements are:

- 1) IDEAS
- 2) INDUSTRY
- 3) PEOPLE
- 4) POLICY

Detroit is no stranger to this phenomenon. This city was experiencing the devastating effects of the decline in the automotive industry long before the rest of the country realized the effects of the economic tailspin that subsequently occurred. In that regard, Detroit felt the pain of a failed economy long before the rest of the country. Thus, it is fitting that Detroit play a significant role in the recovery of the local, regional and national economy. Rebuilding the national economy is vital for the future of this country not only for the prosperity of its citizens but as the foundation for the U.S. remaining globally competitive.

So how can Detroit begin to be the hub for a rebounding economy? Innovation, innovation, innovation! The future of Detroit's regional economy will be directly aligned with its ability to reinvent itself while simultaneously maximizing the regional, as well as national and international industry opportunities. Many efforts to this end are currently underway at the national, regional and local levels where emerging industries are showing

interest in the Detroit manufacturing community as a potential high-level supplier base, and programs designed to accelerate this process are being constructed. The manufacturing expertise in Detroit is at the core of the resources available that can put the regional economy back on track. Given the deteriorating urban landscape in Detroit, the skills and experience of the minority-manufacturing base can be a catalyst for economic recovery resulting in the strengthening of a currently diminishing urban infrastructure.

While it is important to solidify the manufacturing base in these emerging industries; there should be an equal amount of effort put forth for the creation of new firms that are looking to bring new innovations to the market. According to research from the Kauffman Foundation, new scalable firms create the majority of new net jobs. Hence, establishing the connection between innovations leading to rapidly growing firms, and the economic recovery of Detroit is critical.



Daryl Williams

Ideas, industry, people and policy is the formula that has to be established to catapult the economic recovery efforts in Detroit. Again many of these efforts are underway currently by organizations doing great work but I think anything worthwhile is worth repeating. So here are some general suggestions in each

of these areas:

- 1) Ideas-Create a public relations campaign that redefines Detroit as a new innovation hub. Define an articulated vision for the future of the city that can galvanize the region.
- 2) Industry-Attract new industry activity to the region while maximizing the opportunities of the traditional industries.
- 3) People-Create an ecosystem that will allow the innovators in the region to access the resources they need to bring innovations to the marketplace resulting in a growing economy.

4) Policy-Policies must be in place that encourage and not hinder the ability of innovation and economic growth.

As we know, the devil is in the details and how each of these areas begins to be flushed out is complicated and messy. The local, regional, and national political and economic realities will lead to much debate and compromise on how each of these areas will eventually be designed. However, in any project, it is always necessary to have a template that can be tweaked and redesigned if forward movement is to occur. I think Detroit is on its way to reinventing itself but has to accelerate the timetable. The way Detroit's emerges from this economic downturn will be a model for urban areas struggling with this problem throughout the country. These urban areas may not have the sophisticated manufacturing base that resides in Detroit, but they do have the critical pieces for success; ideas, industry, people and policy.

***So how can Detroit begin to be the hub for a rebounding economy? Innovation, innovation, innovation! The future of Detroit's regional economy will be directly aligned with its ability to reinvent itself while simultaneously maximizing the regional, as well as national and international industry opportunities.***



A PROGRAM OF THE KAUFFMAN FOUNDATION

