

Building Manufacturing Communities for the long haul

written by admin | February 24, 2016

(Brookings - Mark Muro: 2-18-16) The National Network for Manufacturing Innovation (NNMI) institutes have rightly emerged as centerpieces of the nation's push to increase the competitiveness of America's advanced manufacturing sector. Through the program the nation is slowly building a robust network of industry-university collaboration hubs. If all goes well the centers will soon solve critical manufacturing technology problems and drive necessary American gains in advanced manufacturing.

And yet, along with creating innovation hubs the nation also needs to rebuild its regional manufacturing ecosystems. Technology hubs won't help much if the nation lacks robust regional manufacturing clusters to deploy and scale up breakthrough technology.

Which is why the Obama administration created another initiative in 2013 called the Investing in Manufacturing Communities Partnership. Launched through administrative action, the partnership aimed to both call forth and reward regional manufacturing initiatives by giving winning regions priority access to the resources of multiple federal departments and agencies.

In 2014, the first 12 manufacturing communities were designated from over 70 applications and given access to funding to carry out their plans for advanced research, workforce training and retraining, supply chain development, and other initiatives. Although 12 more communities around the country were designated last year, the program's future is uncertain given the waning of the current administration.

Last week, though, a way forward became visible. Extending the notable bipartisan support for federal action on advanced manufacturing, five U.S. senators and six representatives introduced bipartisan, bicameral legislation to make the Manufacturing Communities program permanent.

In keeping with that goal, the new bill would create a standing program to competitively award regions with the “Manufacturing Community” designation and associated funding benefits. This designation would move winning communities to the front of the line when they apply for up to \$1.3 billion in currently available federal economic development funding for manufacturing.

In this manner, the legislation encourages a regionally driven approach to strengthening manufacturing. To compete for funding through the program and earn the designation, communities would need to *demonstrate the significance of manufacturing in their region* and *create supportive regional partnerships with key stakeholders* such as local and state economic development officials, local governments, manufacturers, labor organizations, and higher education or other training providers.

To prevail, the regions would need to develop strategies for employing their “Manufacturing Communities” designation in making investments in six areas: advanced research ... workforce training and retraining ... supply chain support ... export and foreign direct investment ... investment support for process upgrades, incubator activities ... and other activities.

In short, the proposed permanent program holds out a chance for the nation to get as serious about ecosystem building as it has gotten about technology development.

Complementing the nation’s manufacturing hubs with Manufacturing Communities built for the long haul will increase economic activity and jobs.

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