

Michigan Business Higher Education Forum

Attendees:

Duderstadt, DiBiaggio, Adamany, Whitaker
Engler, Pero
LaMothe, Lobbia, McCormick, Myers, Parfet
Schwartz, Whitwam

What is needed to make Michigan more competitive?

Bill McCormack
Regulatory reform (e.g., DNR)
Insurance, liability, workman's comp
Different attitude by Congressional delegation

Bill LaMothe: Job creation is the key.
Noted "10,000 by 2000" effort in Battle Creek

Outstate still perceives that UAW and Big Three control
the state, although folks from Detroit discount this.
(John Engler noted that "Labor is just 6 votes away
from having no power at all.")
However there is also agreement that Big Auto has
contributed to unrealistic expectations of
wage and benefits rates that affect other business.

Michigan is still perceived...and perceives itself...as a
manufacturing state, and yet manufacturing jobs and
activities are being converted every day into knowledge
based jobs.

Bill Parfet notes UpJohn study of where to site a new plant.
...and that, when looking at sites within a 600 mile radius,
Michigan falls off the scale because of its tax structures...
...the highest business tax
...the highest family tax
...the highest property tax
...the highest cost of doing business

There was general agreement that taxes were very much a
concern.
There was a suggestion that perhaps we need a
better "doomsday" story to demonstrate to people
what will happen if the tax structure is not changed.

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better "doomsday" story to demonstrate to people
what will happen if the tax structure is not changed.

Yet we do a very poor job in making the case for the
importance of a strong business climate...
MMA and CofC really are very weak compared to labor
as a voice in Lansing.

Labor is loud...and everyone else is very quiet.
Business is just not a major force in Lansing...
and yet today it is far more powerful than labor.

Adamany noted that Michigan, unlike other states,
appears to have no tradition of self-restraint...
...its citizens and their elected officials appear
to have a list of endless desires
...they are unwilling to make choices...
to agree that certain things are off-limits

K-12 Reform and Other Education Issues

Engler has deferred his education message until early fall,
with the start of school. He wants to launch it then
with the hope that it will be in place by the following
September.

Universities are a strength, but we haven't used them well.
We haven't brought them to the table.
Need to get them involved very deeply in these activities.
Competitiveness is the key for us all...

...it makes strong companies
...it makes strong universities
...it can make strong K-12 schools

Washington Agenda

Michigan has enormous opportunity...and clout (e.g., in Washington),
through its business community, if only we will use it.

In the federal arena, folks generally supported the
strategic effort...

...the importance of identifying several key strategic
targets--perhaps 3 or 4--that we could set as
objectives for the next several years and give
as marching orders to the Michigan delegation

Important that Washington be viewed as part of
our effort to strengthen the state's economic base.

Noted that many of our leading Congressmen (Dingell,
Riegler) usually rationalized their inability to get
more dollars to Michigan by saying they had used
all their chits up blocking environmental legislation
to protect the automobile industry.

Also noted that members of the delegation so often
appear to be "on the wrong side"...and out of sync
both with the needs of the state and other important
power forces in Congress. Noted Riegler as a prime
example of this.

The importance of a vision

David Whitwam:

We really having done a very good job of pulling together
a broad coalition on state issues.

We have to build a coalition.

There doesn't seem to be a clear picture of where we want
to head as a state...absence of leadership.

General agreement that Michigan needs a vision, one that can
unite us in hope and optimism.

Labor is loud...and everyone else is very quiet.

Business is just not a major force in Lansing...

and yet today it is far more powerful than labor.

Need to articulate a vision and a plan for the state.

Followup

John Engler suggested that the group might serve as his
kitchen cabinet...and suggested that the first use
would be to help him put together a business agenda
designed to make Michigan more competitive.

JJD noted the absence of Big Auto, but Lobbia, McCormack,
and Swartz said that Stempel and Poling would be quite
willing to come to the table.

It was agreed that we would approach them separately
and discuss the meeting.

Can we pull together a common agenda on competitiveness?

Each of us should provide a one-pager of what we see
as the key issues...

And perhaps, as well, what we see as key steps
designed to address this.

JJD agreed to pull these together.

Next step is to develop an action agenda that John Engler
will take the lead on...and then we can get behind it
and support it.

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