



EDA Presentation at Building the Arkansas Innovation Economy Conference

Federal & State Programs and Synergies Session

March 9, 2010





The World has Changed

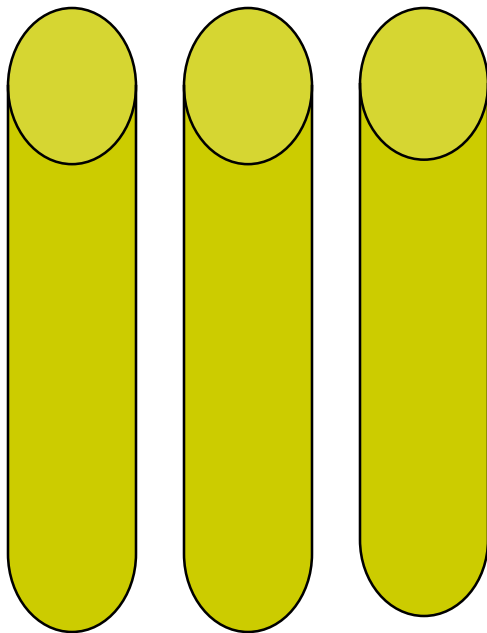
- **Markets have become more global**
- **Increased mobility of knowledge, goods, and labor**
- **Growing off-shoring and out-sourcing of American companies and jobs that used to be the economic bedrock of communities across the nation**
- **Competitive advantages are increasingly tied to human capital and innovation**
- **Workers have been forced into a knowledge-driven economy, whether or not they have the skills to compete**



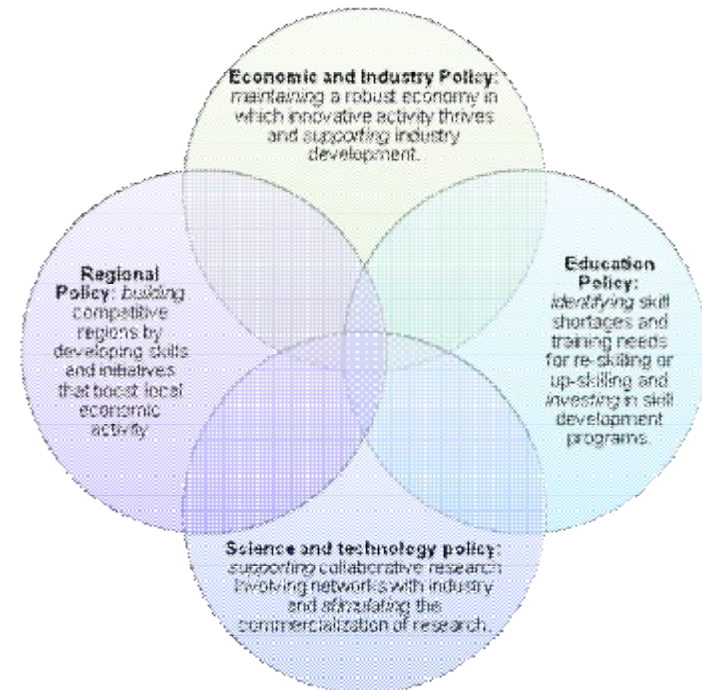
Our Policy and Practice Must Change

Unprecedented challenges require innovative solutions for creating jobs and promoting regional prosperity.

From Silos ...



... to Collaboration.





Regional Innovation Clusters

RICs are a geographically-bounded, active network of similar, synergistic or complementary organizations which leverage their region's unique competitive strengths to create jobs and broader prosperity.



Why do RICs Matter?

- On average, jobs within clusters pay higher wages.
- Regional industries based on inherent place-based advantages are less susceptible to off-shoring.
- Create many new job opportunities for American workers.
- They stabilize communities by re-purposing idle manufacturing assets, engaging underutilized human capital, and contributing to improvements in the quality of life.



Regional Assets

Five Key Components to Consider When Defining Unique Regional Assets

*What you make, including
your existing &
prospective industry
clusters*

**ECONOMIC
BASE**

**ENTRE-
PRENEURSHIP**

*Your capacity to create
companies wholly new or
from existing firms*

*What you do: your
workforce skills &
human capital base*

TALENT

**INNOVATION
& IDEAS**

*Your capacity to innovate
and generate new ideas*

**Location, Infrastructure, Amenities,
Factor Costs, Natural Resources**

*The basic conditions defining the
economic milieu of the region*



Arkansas Assets for RICs

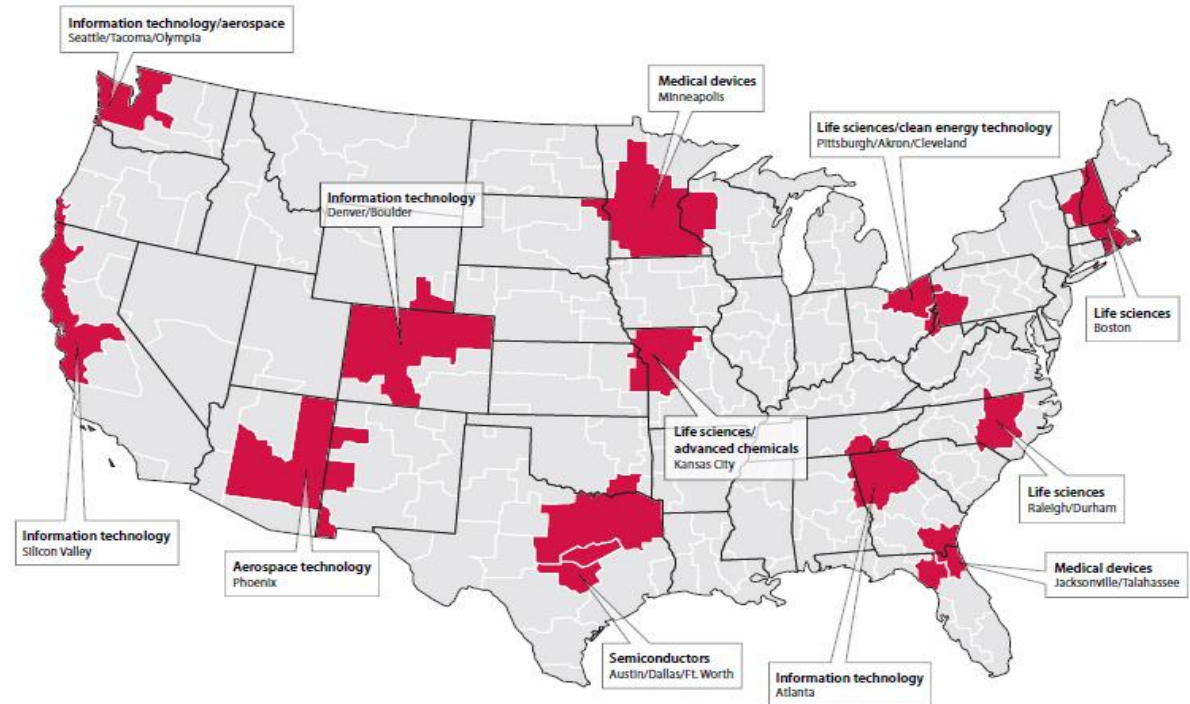
- A strong network of higher-education institutions
- Geography and infrastructure that allow for efficient transport of goods and services
- Some of the nation's best health-care facilities
- Low factor costs for operating and starting a business
- Diverse mix of industries composing the State's economic base, including aerospace, automotive, biotechnology, financial services, food processing, healthcare, IT, logistics and distribution, and tourism
- An integrated network of local, regional, and State development organizations working to build upon the State's existing assets



RICs Are Diverse

- All parts of the nation
- Can be in wide array of industries
- Vary in size, shape, and reach
- Often cross local, county, and state boundaries
- Urban and rural

A SNAPSHOT OF U.S. INNOVATION CLUSTERS
A selection of high-tech clusters in different parts of our country

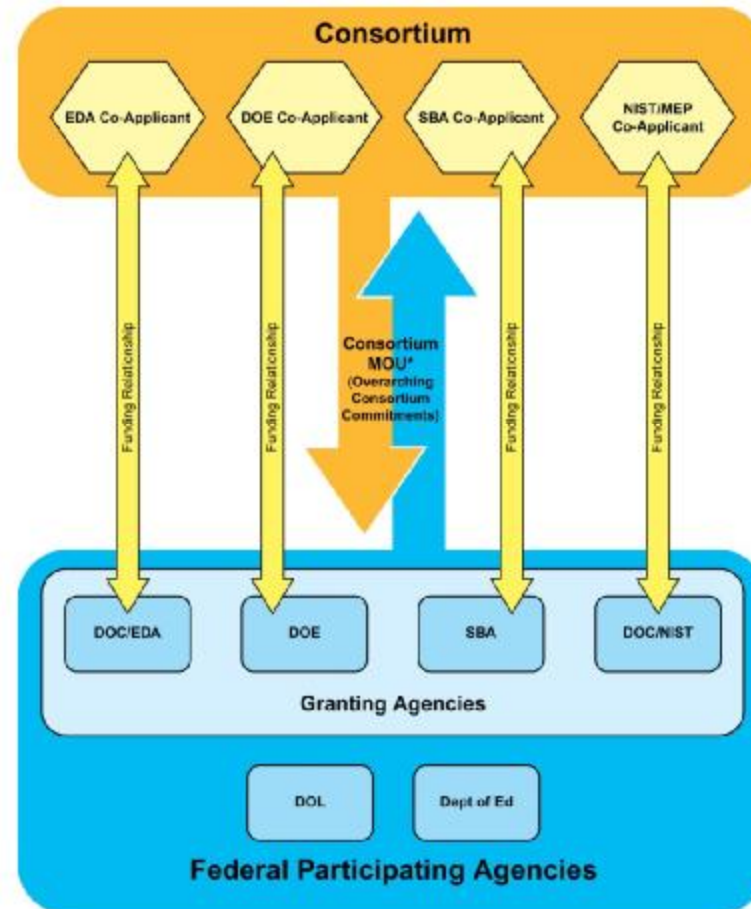


Source: Cluster Mapping Project, Institute for Strategy and Competitiveness, Harvard Business School. Copyright © 2005 President and Fellows of Harvard College. All rights reserved.



Federal Collaboration on E-RIC

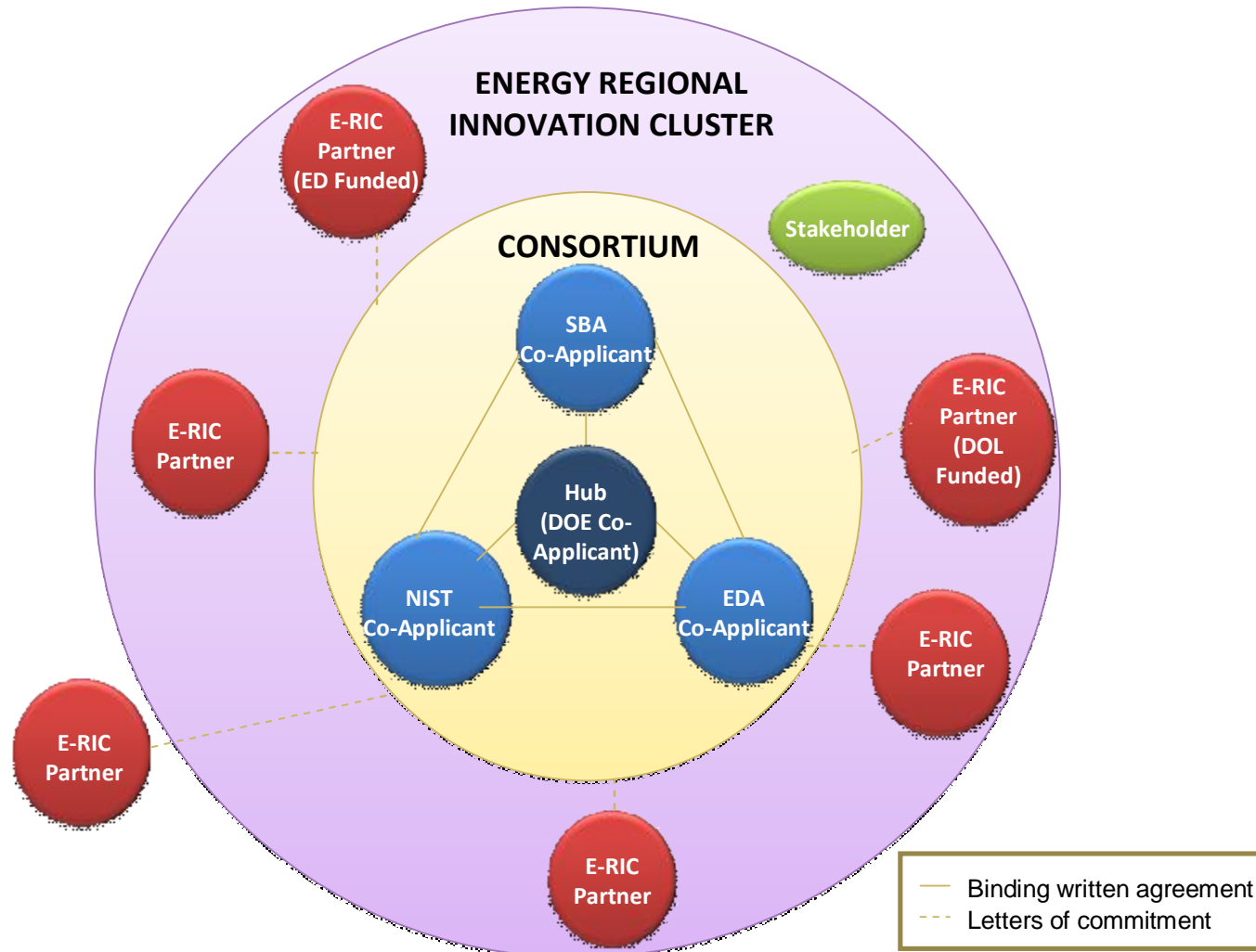
**Relationship Between the Consortium
and Federal Participating Agencies**



*The NSF intends to be a party to the Consortium MOU



E-RIC Framework





EDA's Programs Support RICs

EDA's diverse programs allow it to make grant-based investments that provide critical support for RICs:

- The Research Program provides resources to examine gaps in innovation, cluster, and regionalism policy.
- The National Technical Assistance Program provides resources to develop and disseminate tools for measuring and assessing the innovation capacity of a region.
- The Planning Program provides funds to help regional development organizations develop comprehensive economic development strategies that build on their regional assets.
- Other EDA programs (such as Public Works, Economic Adjustment Assistance, etc.) provide resources to fund the implementation of regional innovation cluster strategies.



EDA Investments in Arkansas

- In 2009, EDA made 14 investments in Arkansas to support planning and implementation efforts aimed at encouraging regionalism, innovation, and clusters across the State.
- A recent EDA Technical Assistance grant helped to establish the Center for Regional Innovation at the University of Arkansas at Little Rock.
- A \$1.75 million EDA Public Works grant to Arkansas State University/ Jonesboro helped to establish the Arkansas State Biosciences Institute Commercial Innovation Center