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.

- Economic and Industry Policy: maintaining a fiscal environment in which innovation activity thrives and supporting industry development.
- Education Policy: identifying skill shortages and training needs for life-long or up-skilling and investing in skill development programs.
- Regional Policy: building competitive regions by developing skills and initiatives that boost local economic activity.
- Science and technology policy: supporting collaborative research involving networks with industry and stimulating the commercialization of research.
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

- **ECONOMIC BASE**: What you make, including your existing & prospective industry clusters
- **ENTREPRENEURSHIP**: Your capacity to create companies wholly new or from existing firms
- **TALENT**: What you do: your workforce skills & human capital base
- **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 R I Cs

- 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
R ICs 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
Federal Collaboration on E-RIC

Relationship Between the Consortium and Federal Participating Agencies

Consortium

- EDA Co-Applicant
- DOE Co-Applicant
- SBA Co-Applicant
- NIST/MEP Co-Applicant

Granting Agencies

- DOC/EDA
- DOE
- SBA
- DOC/NIH

Federal Participating Agencies

- DOL
- Dept of Ed

*The NSF intends to be a party to the Consortium MOU
E-RIC Framework

ENERGY REGIONAL INNOVATION CLUSTER

CONSORTIUM

- SBA Co-Applicant
- NIST Co-Applicant
- EDA Co-Applicant
- Hub (DOE Co-Applicant)

E-RIC Partners
- (ED Funded)
- (DOL Funded)

Stakeholder

- Binding written agreement
- Letters of commitment
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.