

Michigan Article  
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# Michigan left in the dust of new global economy

I've been reading Thomas Friedman's newest best seller, *The World Is Flat: A Brief History of the Twenty-first Century* (Patna \$27.50), while on vacation up north.

I know, I know. I have peculiar ideas of fun. But while too long, Friedman's book is terribly relevant, especially for Michigan.

Friedman, a renowned foreign affairs writer who has won three Pulitzer Prizes, demonstrates that a combination of very fast-developing and widely accessible information technology, combined with improvements in the global supply chain, has utterly changed the world's economic landscape.



Phil Power

Whereas we used to think the earth was "round" in the sense that only a few advanced countries were fully part of the economic system, the world today looks much "flatter."

Vast numbers of people in China and India are now ready to plug 'n' play in a globally competitive system. And for a state like Michigan, which has seen its vanilla-flavored manufacturing job base evaporate over the past few years, this book is a real wakeup call.

So, too, is his prescription for succeeding in the earth's now flattened playing field: Emphasis on math and science in our schools, coupled with ferocious support for our research universities, the primary source of innovation and high-tech inventions.

He argues that we also need to recognize that success comes from migrating up the value chain to offer high-end products and services that rapidly developing nations will want to buy.

And we desperately need to realize that the race today goes to the swift and the ambitious, not the entrenched or the monopolistic.

All of which brings me to consider our political masters in Lansing and how they're reacting to the new realities. Trouble is, too often, they aren't. Given their demonstrated track record, the word "react" seems hopelessly optimistic. After all, the budget that the Legislature (rested after its own two-month vacation) will adopt this fall will represent the fifth straight year of reduced funding for K-12 schools, community colleges and universities.

That has caused something called the K-16 Coalition (K-12 schools plus the two-year community colleges plus the universities.) to last week launch a petition drive that would to lock into the state budget guaranteed annual spending increases to at least keep up with inflation. I have little doubt the organizers will come up with the several hundred thousand signatures to put the measure on the November 2006 ballot if the Legislature chooses not to approve it.

Adjusting school spending to make up for infla-

million, while immunizing universities would take another \$50 million. Of course, the Legislature isn't about to think about finding that kind of money.

When somebody proposes shutting down a prison or two, local legislators turn purple, and when Gov. Granholm proposed closing a few special-interest tax loopholes, the Republicans went into orbit.

While all this is going on, there are rumblings in the distance about something called Tax Expenditure Limitations (TEL). In Colorado, for example, the libertarian wing of the Republican Party is proposing a hard expenditure cap on all state spending.

Marketed under the beguiling slogan, "we must live within our means," the proposal has split the GOP and the business community. TELs have already been introduced in 17 states, and the rumor here is that the Mackinac Center and House Speaker Craig DeRoche, R-Nowi, are canoodling about playing the same game here in Michigan.

Which is why Michigan legislators who attended the 2005 National Conference of State Legislators in Seattle earlier this month might remind their colleagues about what the keynote speaker, Microsoft co-founder Bill Gates, had to say.

According to Gongwer News Service, "To applause, Mr. Gates said states should look at their education policies, both K-12 and higher education, as one of their highest priorities. ... The U.S. has no 'inherent' advantage in terms of personal character towards keeping its economy dominant. Where it did have a major advantage was in the quality of its universities and overall education, he said.

"Where top universities are located is where new companies dealing with biosciences and other high-technology projects will locate, he said."

The Gongwer story also pointed out that, "Mr. Gates commanded attention from the audience such as few other speakers at an NCSL meeting have done. Literally every seat in the ballroom where he spoke was taken, and people stood two and three deep along the walls and in the back of the room to hear him.

"The undercurrent of whispered conversations often present at addresses was missing. The only interruptions (were) cell phones, and generally those getting the calls simply turned their phones off rather than miss what Mr. Gates was saying."

Will Bill Gates' message get through to our legislative masters — oops — elected representatives?

Sadly, I doubt it. Our economic future as a state is being hijacked by a bunch of ideologues and know-nothings in both parties. We all deserve better than that, and what is fascinating is that nobody seems willing to step up and call a halt to this nonsense.

Your move, dear voters.

Phil Power is a longtime observer of politics, economics and education issues in Michigan. He would be pleased to hear