



Nation's standard of living at risk

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We need to act now to bolster America's industrial base. A competitive manufacturing base will avert our nation's slide to a lower standard of living in the future.

The Obama administration's "Framework for Revitalizing American Manufacturing" is an excellent start as a road map for a vibrant manufacturing sector. However, we have a long way to go as a country and as a state.

As the state with the highest percentage of manufacturing jobs, we need to face the reality that change is necessary to remain the leader. Wisconsin manufacturers must be competitive in all dimensions - cost, innovation and the skills of employees. If we aren't, we stand to lose the most.

Wisconsin can and must be globally competitive. As it is, we aren't even competitive compared to other states. Forbes magazine put Wisconsin near last, at 48th place, in their "Best States for Business" rankings.

The factories of the future require more brains than brawn. Machine operators, trades people, technicians, engineers and software designers can earn a good living by adding value from their knowledge skills.

Education programs for STEM - science, technology, engineering and math - will create a pipeline for the future workforce needed in manufacturing. Improved education outcomes at all levels will lead to sustainable, value-adding careers for our citizens. We need an education system that prepares our workforce for the future.

The unsafe, dirty factories that most people envision are a relic of the past. Modern plants are smart, safe and sustainable. Manufacturing is "high tech," and these jobs pay higher wages and better benefits than the service sector.

The administration's "Revitalizing" report got it right - the higher costs faced by U.S. manufacturers are the biggest obstacle they must overcome to be globally competitive.

The Manufacturing Institute and MAPI/Manufacturers Alliance report that U.S. manufacturers are burdened with structural costs that add nearly 18% to the cost of doing business here compared to our major international trading partners.

These costs include the highest corporate tax rates in the world, an out-of-control litigation system, health care costs and the cost of compliance with new regulations. The U.S. places its manufacturers at a disadvantage, not just against emerging economies but also against Germany, Canada, Japan and Great Britain.

Every time legislators in Madison pass a law that increases our costs, our competitive disadvantage grows. Let's demand that the impact of regulation be transparent before it is enacted. We need regulations that speed commerce, not slow it down.

Wisconsin manufacturers can overcome these hurdles and achieve growth only through innovation and productivity.

U.S. industrial research and development outpaces the rest of the world and drives the U.S. innovation engine. Policies that stimulate innovation will be critical to U.S. manufacturing success. Especially vital are those policies that create cooperation among universities, the government and companies in applying research to emerging needs.

U.S. manufacturers are overcoming some cost disadvantages today by making their operations more productive.

Manufacturing productivity consistently outpaces productivity in other sectors. Between 1987 and 2008, U.S. manufacturing productivity grew by 103%. The government should pursue policies that further improve industrial productivity, but it should also demand productivity from every other sector, including services, health care, education and the government itself. Manufacturing alone cannot offset the waste in other parts of the economy.

I believe if manufacturers are going to thrive in the post-recession global economy, we must adopt smart, safe and sustainable manufacturing technologies. Smart, safe and sustainable manufacturing enables manufacturers to increase productivity and optimize their performance, thus improving their ability to compete while making better use of energy and natural resources, increasing plant safety, and enhancing product safety and quality.

Amid all of the stimulus plans, renewable energy targets and talk of "green jobs," we seem to have overlooked our core industrial base.

Fostering manufacturing takes hard work and requires policy-makers to make choices. Do we want high taxes, extensive regulation, and an enormous tort litigation industry, or do we want manufacturers that can win against global competitors? The choice is ours, but please don't campaign on a pro-manufacturing platform and then vote the opposite.

We need measurable goals so we can hold our state officials accountable and regular progress reports to the citizens of Wisconsin. Government's role is to create the environment for manufacturers to thrive. A good goal would be to move up at least to the middle of the state business climate rankings.

All Wisconsin citizens have a stake in making our state a place where manufacturers can grow. The earnings of businesses and their employees provide the tax base necessary for government to play its role in educating, building infrastructure and caring for those in need. The leverage effect of manufacturing is too compelling to let it decline. This is a journey we must take, or we will fall out of the race and be left with a declining standard of living for the next generation.

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