

Rhode Island needs a strong manufacturing sector

It is a mistake to simply resign ourselves to the idea that manufacturing cannot be an important and productive part of our economy in the years to come. Today there are more than 51,000 jobs in Rhode Island tied to manufacturing. These jobs are spread across some 2,000 firms and include everything from traditional metal working and boat-building to the ultra-modern manufacturing processes used in biotechnology and electronics production.

Certainly, the face of manufacturing in Rhode Island has changed. Manufacturers in every industry confront serious challenges in their struggle to compete in the global market. Yet for those who invest in plant productivity, work force devel-

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Saul Kaplan and Leslie Taito

opment and a strong new product pipeline, Rhode Island remains a profitable place to locate a manufacturing operation.

We must not abandon manufacturing in Rhode Island. Our challenge is to help manufacturers who are well positioned to succeed in the global economy get the services and support they need to innovate and to stay competitive.

We can do this by working together.

Later this summer, the Rhode Island Manufacturing Extension Service will take up permanent residence at the R.I. Economic Development Corporation's Valley Street offices. As partners, the two organizations will work more closely together to improve the productivity, competitiveness and profitability of Rhode Island's manufacturers.

Since its inception in 1996, RIMES has provided support to more than 600 Rhode Island manufacturers through programs that help companies run more efficient factories, design and create new facilities, develop strategic growth plans, and become more innovative.

Manufacturers who worked with RIMES retained 287 jobs and created an additional 915 jobs between 2000 and 2005. Companies working with RIMES reported significant increases in profitability, saw \$24 million in investment, and increased productivity from 10 to 30 percent.

RIMES will now offer these

same services in alignment with the business development programs already offered by the RIEDC. By streamlining the state's offerings, we hope to make it easier for Rhode Island's manufacturers to access the tools and resources they need to grow.

We hope that this partnership sends a clear message that through collaboration we can create a 21st-century innovation economy that will produce more high-wage jobs for Rhode Islanders. Let's face it: we have limited resources to devote to economic development. To create the job and income growth our state's citizens need to prosper, we must work together to

make the most of our investments.

This partnership affirms that we can work toward a common agenda. RIEDC's partnership with RIMES also represents another important step toward reconfiguring the state's economic development programs to meet the needs of today's businesses. Creating better alignment across all of the state's economic development activity will enable us to put forth the best, most comprehensive set of services and solutions for growing Rhode Island's economy. ■

Saul Kaplan is executive director of the R.I. Economic Development Corporation; Leslie Taito is CEO and center director of the Rhode Island Manufacturing Extension Service.

'Our challenge is to help manufacturers ... get the services and support they need to innovate.'

The state's leaders must make the difficult choices now

It is not by accident that Gov. Donald L. Carcieri, Providence Mayor David N. Cicilline and leaders of the General Assembly – House Speaker William J. Murphy and Senate President Joseph A. Montalbano – are at the pinnacle of influence in Rhode Island.

They are all products of a well-endowed higher educational institutions, among them Brown University (Carcieri and Cicilline), but also the University of Pennsylvania (Montalbano), the University of Hartford (Murphy) and Georgetown University (Cicilline). Before they reached a high level of post-secondary education, they received solid elementary and secondary schooling, as should all children who live in the state.

Their perspectives, gained through their education and experience, should inform their approaches to help solve one of the state's most difficult challenges – the opportunity costs and benefits of public education spending.

This is not a rant on the value public education provides in Rhode Island or whether teachers and administrators are properly compensated. It is not a diatribe of whether school districts should be consolidated to save costs. It won't argue whether Halliburton and that ilk are siphoning federal tax dollars that could be funding education. No matter your perspective, responsible government should make decisions to serve the greater good.

There was a time not so long ago when the state absorbed the majority of public education costs and received reasonable supplemental federal funding. This is an issue of allocation of the public's tax dollars. Those days are behind us, and the burden has rapidly shifted to the municipi-

GUEST COLUMN

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pal level, where education now dominates funding at the risk of reducing other services.

Arguably, Providence, a city-state of sorts, is at the epicenter of this problem. But it may be the source of a solution as well.

The capital city's density and demographics create a conundrum many argue unfairly burdens the rest of the state. How so? The city's legislative delegation is a powerful one. As such, a large chunk of state education funding still in place remains in Providence. Therefore, most municipalities external to Providence are forced to cover the swelling education costs that are highlighted in annual budget meetings.

But doesn't Providence increase its own property taxes?

Of course it does. However, the seldom-discussed 800-pound gorilla in the room is ironic. Brown University, and to a lesser extent Rhode Island School of Design, Johnson & Wales University and Providence College, enjoy tax abatement provisions as institutions of higher learning.

Under the able leadership of President Ruth J. Simmons – and with the financial clout that hundreds of millions of dollars in tuition, research grants and endowment earnings provide – Brown has been expanding its real estate holdings. The former owners of the property that Brown acquired did not have the benefit of tax abatement. Their property and income taxes helped to defray local and state operating expenses, including education.

The state's leaders talk about an innovation economy. But innovation does not happen in a vacuum. It requires a work force that is well educated starting in grade school and hungry to learn more. Unfortunately, the General Assembly and

the governor could not agree on a plan that improved funding for schools in the most recent legislative session. That is unfortunate.

A superior education should not be limited to a fortunate few. But the continuing impasse over adequate funding for the education of the state's children seems to be leading us all in that direction.

Our leaders must return to the fair-share negotiating table. Perhaps it might begin with these institutions of higher learning and continue with our elected

officials revisiting Rhode Island largest employers who lament the inadequate supply of in-state educated labor. Citizens have limited clout to turn the tide, but our civic, academic and business leaders have the responsibility to make the tough choices and negotiate a better deal on our behalf. It is time. ■

Carl Sheeler is a former Marine officer, a small business owner and a father of five who was a Democratic candidate for the U.S. Senate in 2006.

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"Freeze, Higgins, and don't make a sound. It's a blinking cursor arrow, in the 'delete' mode, I'd wager. One nick from that, my friend, and we're dead men!"

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