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## Wisconsin Economic Summits have given a hand to state's progress

Tom Still, 10/11/03

MADISON – In his often-quoted book, "An Inquiry Into the Nature and Causes of The Wealth of Nations," Adam Smith laid down an economic theory that was the 18th century equivalent of today's (sanitized) bumper sticker: Stuff happens.

"Every individual necessarily labors to render the annual revenue of the society as great as he can," capitalist Smith wrote in 1776. "He generally neither intends to promote the public interest, nor knows how much he is promoting it ... He intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention."



Smith's "invisible hand" has been hard at work since the first Wisconsin Economic Summit was held in the fall of 2000. No summit attendees returned home intending to reshape Wisconsin's economy because of a directive issued from the stage of the Midwest Airlines Center. However, many have exercised enlightened self-interest in following up on ideas that were broadly discussed at the summits.

With the fourth Wisconsin Economic Summit scheduled for Oct. 27-28 in Milwaukee, here's an appraisal of what the first three accomplished:

**Economic "clusters" have taken root.** The first three summits pounded away on the theme that interconnected businesses tend to "cluster" together for purposes of developing, manufacturing, selling and shipping goods and services. It's not just the big paper mills that make up Wisconsin's papermaking cluster, for example, but all the businesses that support it. Since Summit I, working groups have been formed to advance clusters in papermaking, printing, plastics and medical devices, to cite four prominent examples.

"Clusters went from idea to results," said Dick Wegner, a consultant and former state official who is helping the UW System and private

sponsors such as R.W. Baird to organize Summit IV.

**More decisions are being made within Wisconsin's economic regions.** It is a myth that a single Wisconsin economy exists. The economy in Racine-Kenosha has no relation to the economy in Superior-Duluth, for example, or even the economy in the Fox Valley. But regional economies operate in 14 distinct areas of Wisconsin, and people within them are learning to work together.

"The summit emphasis on naturally functioning regions has accelerated independent, regional economic development," Wegner said.

**Attention is being paid to the larger Midwest.** The first summit advanced the idea that Chicago, Milwaukee and Madison form an economic "triangle" that should look for ways to cooperate rather than compete. Since then, initiatives involving Midwest research universities, biotechnology associations, venture capitalists and other trade groups have gained momentum. The concept of an "I-Q Corridor" of technology assets running from Chicago through Wisconsin to the Twin Cities of Minnesota also stemmed from past summits.

**People are taking coordination seriously.** A few years back, an inventory of statewide economic development organizations would have resembled a feudal map of Europe. It still does, essentially, but the summits have encouraged those organizations to work together rather than simply compete for members and revenue. In a few areas, such as technology, that's happening.

**"Culture shock" therapy is underway.** Past summits repeatedly stressed that Wisconsin has a conservative, risk-averse business culture born of years of success without change. The manufacturing layoffs since 2000 have dispelled any notion that Wisconsin can stand still. Building an entrepreneurial culture today is a precursor to building the small, high-growth businesses of tomorrow. The first Wisconsin Entrepreneurs' Conference and the first Governor's Business Plan Contest, to be launched later this fall, are two examples.

**It's hip to talk about economic development.** It would be a mistake to give the summits too much credit for focusing citizen attention on economic development; thousands of layoffs and business failures did that. But the summits have contributed to the public perception that a plan is coming together.

"The times helped a lot, but these summits got economic development on everybody's radar screen," Wegner said.

Adam Smith was right – an "invisible hand" guides much of what happens in the economy. But the Wisconsin Economic Summits have at least provided a helping hand.

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Still is president of the Wisconsin Technology Council and will moderate the general session of this year's summit in Milwaukee. To learn more, go to [www.wisconsin.edu/summit](http://www.wisconsin.edu/summit).

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