



Brookings Institution Metropolitan Policy Program Conference

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Summit Develops Vision of “Metro Nation”

More than 900 participants from over 30 states attended the Brookings Institution Summit for American Prosperity, a two-day event held on June 11th and 12th in Washington, DC. The Summit marks a new phase of the Blueprint for American Prosperity: Unleashing the Potential of a Metropolitan Nation, a multi-year Brookings initiative that aims to build long-term U.S. prosperity by reinvigorating the federal role in promoting the vitality of America's metropolitan areas. This Summit builds on the Blueprint's earlier efforts to demonstrate that the nation's assets are concentrated in metro areas, and are the vital engines of the U.S. and global economy.

Henry Cisneros, former Secretary of Housing and Urban Development, introduced the event, emphasizing the importance of the concept of the United States as a “metropolitan nation” in organizing thinking about our nation’s problems. Following Cisneros, Brookings Metropolitan Policy Director Bruce Katz underscored a central theme of the conference: the gap between changes in the country’s economic structure and stasis in its political structure. “We are a metro nation economically,” noted Katz, “but we don’t act like it politically or administratively.” Michael Nutter, Mayor of Philadelphia, lamented the nation’s failure to address domestic needs. Pointing out that most Philadelphians are more affected in their daily lives by local crime than international terrorism, Nutter urged attendees regarding the need to have “a homeland that is secure right in America.”

Michael Porter of the Harvard Business School, and founder of the Initiative for a Competitive Inner City, delivered the first evening’s keynote address. In Porter’s view, today “There is no [single, national] U.S. economy.” In its place, Porter argued, the United States has hundreds of metropolitan economies. As a result, “Almost everything that matters for competitiveness is not federal but local.” To thrive in such an economy, Porter advised regional leaders to: “Build on your strengths based on what you have the ability to do.” Interestingly, Porter noted that research had found that, “What you do matters less than how you do it” and specifically that regions that put their economic development eggs into “high tech” clusters failed to out-perform those that specialized in other industries. The federal role, in such an economic environment, Porter argued, requires a realignment of “federal economic policy around regions and cluster development.” In addition, the United States’ overall economy has been weakened by the national failure to provide adequate retraining supports, health insurance coverage, and pension security in a high job turnover economy that greatly increases the importance of policy support in these areas. Porter noted, “More capitalists are talking about going to Switzerland, which is not a low tax place. But the corporate tax system is better, regulation is better, energy is much better, and the health system is much better. I don’t think they’re going to go, but even the fact that they are saying this tells you something.”

On the second day of the conference, Strobe Talbot, President of the Brookings Institution, declared that the goal of the Brookings Institution project is to promote a change in mindset from the “industrial age to the knowledge economy age.” Amy Liu, Deputy Director of the Brookings Metropolitan Policy Program, emphasized the importance of building coalitions “with cities, with universities, and with civic associations.” Greg Nichols, Mayor of Seattle, explained that while the Seattle metropolitan area has the fourth highest GDP per capita of any urban region worldwide, it still faces many problems and is the nation’s top city for unfunded critical infrastructure. “Some say that what metro regions really want out of Washington, D.C., is a blank check,” Nichols observed, “but that’s not true. It’s not about more money, but making the best use of our federal dollars to create a shared strategy for building future economic success.”

Brookings Metropolitan Policy Director Bruce Katz again noted the gap between economic change and government’s failure to keep up. “In earlier decades, the typical government agency was organized in ways that looked remarkably similar to the typical state-of-the-art corporation,” Katz observed. But in many corporations in the 1980s and 1990s, “Top down planning gave way to decentralized, ‘federated’ systems that rewarded decisive front-line problem solving and experimentation.” By contrast, Katz contends, government has stagnated. “The purpose of national policy—and the roles and relationships between different levels of government to achieve that purpose—needs to be fundamentally reexamined and then remade,” said Katz.

Governor Edward Rendell of Pennsylvania followed Katz’s address with a speech that focused largely on the financing of infrastructure. Rendell noted that the American Society of Civil Engineers has estimated that the United States has a \$1.6 trillion infrastructure deficit. “We need a capital budget,” Rendell stated. “A \$2 trillion capital budget would cost \$180 billion a year in debt service.” Rendell added that political leaders needed to say, “We’re not going to keep cutting your taxes. We’re going to invest in America. Just cutting your taxes doesn’t work. Otherwise we will slip decade by decade into more mediocrity.” Rendell noted that, “You always hear the line that government should be run like a business. Name one business that has grown without taking on debt. You need prudent borrowing to create new assets. America will not remain an economic power unless we are willing to invest in ourselves.”

Following the morning’s speeches, two panels discussed the nuts and bolts of implementing a metropolitan policy vision. The first panel, moderated by Jonathan Capehart of the Washington Post included Tom Darden, CEO, Cherokee Investment Partners; Ron Sims, County Executive of King County (WA); Hilary Pennington of the Bill & Melinda Gates Foundation; and Jim Wunderman, CEO, Bay Area Council. Key themes of this panel included the role of education, workforce development, and sustainable development practices in meeting the nation’s economic and environmental challenges.

A second panel, moderated by Larry Levy of the National Center for Suburban Studies at Hofstra brought together a group of mayors and county executives, including Annabeth Surbaugh, Chairman, Johnson County, Kansas; Randy Pye, Mayor of Centennial, Colorado; Thomas R. Suozzi, County Executive of Nassau County (Long Island, New York); Casey Wharton, Jr. Mayor of Shelby County (Memphis) Tennessee; and Jeff Shigley, Mayor of Octavia, Illinois (near Chicago). The panel stressed the importance of regional collaboration in policy making at

the local level as well as some of the health, transportation, and regulatory challenges municipal and county leaders face.

For more information on the Brookings Summit for American Prosperity, including the text of some of the speeches delivered, see:

http://www.brookings.edu/events/2008/0611_blueprint_summit.aspx.