Planners and Manufacturing

An Uneasy Alliance

By Robert Giloth

In my three-decade planning career, manufacturing has been declared dead multiple times only to be rediscovered alive and evolving and in search of skilled workers. Manufacturing still matters for multiple reasons. For myself and many other planners, manufacturing has always held more promise than real-estate-driven development as a component of city and regional well-being, and the past four years of deep recession underscores why this is so. Pleas for skilled workers have echoed amidst ongoing plant closings and relocations. For example, a recent study of Baltimore's regional economy by the Brookings Institution identified over 63,000 manufacturing jobs at firms that served as a source of export potential, innovation and economic opportunity for those with some college education.

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In this reflection, I share my own thinking and experiences about manufacturing and its importance for neighborhood and city growth. My interest goes back to working in the Pilsen neighborhood on Chicago's Southwest Side in the 1970s, where a tattered industrial base still hired local people and still faced basic problems of infrastructure, abandoned buildings and financing. This interest and knowledge was inspired by a planning studio project at the University of Illinois at Chicago that got us out into the field talking to business leaders. These early conversations shaped my interest in manufacturing and the potential for fashioning a common agenda with community residents, but it was a minority view; over the past three decades, many more planners have preferred to dream about high-end redevelopment and gentrification.

Today's Interest in Manufacturing

Today's renewed interest in manufacturing has several dimensions. First, trade imbalances and our sluggish economic recovery have underscored the need for the U.S. to sell more products and services abroad, especially to growing countries. Exporting brings new resources into the economy and manufacturers purchase from local and regional supply chains that support additional businesses and jobs. This export role has been a traditional focus for U.S. manufacturing and remains viable for many high value-added manufacturing products.

Second, there has been a perhaps overly optimistic belief in recent years that new economic activities within domestic markets could provide an expansion and retooling opportunity for U.S. manufacturing and prevent a flood of imports from abroad. Two areas in particular have received this attention: the green economy and transit. Shouldn't the U.S. be able to redeploy its manufacturing capacity and skills to build the component parts of and assemble windmills, solar panels, retrofit technology and train cars and engines? Why should Germany or Sweden or China out-compete the U.S. in our own backyard? Unfortunately, not all of this optimism has turned into reality, at least not yet.

Third, economic experts have equated more innovation in the

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economy and society with long-run economic growth. While the U.S. cannot easily compete globally on wages, productivity improvements and process and product innovation build upon our university and research lab infrastructure and creative culture as well as our network of advanced manufacturers.

A fourth dimension of renewed interest in manufacturing concerns the skills gap. We all knew that retiring baby boomers would produce job openings in key manufacturing occupations like machining—this was happening before the Great Recession. What is paradoxical today is that manufacturers are still crying loudly about skills gaps and their inability to hire while layoffs and plant shutdowns continue. Some of this is about shortages for the most advanced skills, but some is no doubt about wages and benefits and the willingness of business to reinvest in the skills development of current employees. And there is the perennial problem of manufacturing having a bad name—dirty jobs, unsafe work environments and inevitable layoffs and shutdowns. What parents in their right minds would urge their children to make a career in manufacturing? The reality of and prospects for these new jobs, however, is quite different from common perceptions and the word needs to get out.

Finally, renewed interest in manufacturing has coincided with interest in and concern for older industrial cities and transitional, shrinking or legacy cities, which have lost much of their population and economic base. A part of the story of these places is certainly about what's next, but another important part of the story is how we can build upon the legacy of the manufacturing companies, skills and networks that remain. Turning around the auto industry in Detroit is a big example, but stories about building on the basics of manufacturing in Cleveland, St. Louis, Milwaukee, Chicago and Baltimore are perhaps more important. In other words, there is increased recognition about the intertwined destiny of older industrial cities and the manufacturing sector.

Manufacturing and the Planning Imagination

Despite renewed interest in manufacturing, over the past several decades local and regional planners have shown real ambivalence about manufacturing. On the one hand, planners have acknowledged the role of manufacturing in growing the economic base and its attendant multiplier effects. On the other hand, planners and local developers have focused much more attention on reconfiguring downtowns, building big infrastructure and attracting high tech in its various forms, with the occasional competition for a new plant—or more likely a corporate headquarters. In many places, the mantra "manufacturing is dead" has gone unanswered as a landscape of abandoned warehouses and industrial plants remind us that the old world of industrial giants has changed and that in many cases these old facilities are environmental quagmires or tantalizing prospects for upscale housing and neighborhoods.

While manufacturing may not have been top of mind for city planning visionaries until recently, local and regional operating departments and authorities still paid attention to and made investments in manufacturing. What many manufacturers needed was "bread and butter" planning and investment.

First and foremost, manufacturing plants clumped together or agglomerated across city landscapes in industrial districts, along rail lines, near airports, on waterfronts and in outlying districts. While many of the big, heavy industry plants have left or downsized, many small and medium-sized firms remain in industrial districts. They need common infrastructure, zoning changes, land assembly, environmental remediation, financing and tax assistance and workforce investment. In many places, these firms have banded together in councils to advocate for their districts or specific sectors and across regions.

In the old days, the interdependencies among firms—buying, selling, innovating, sharing talent—created dense networks of relationships among manufacturers, what today we might call sectors or supply chains. This density has thinned out, and in some cases lost its center of gravity, but much of it remains in older industrial cities. Moreover, many of these firms and interdependencies are now regional in scope, no longer centered in historic urban industrial districts.

A basic planning concept applied to manufacturing concerns externalities—the positive and negative spillovers from firm operations that are not accounted for directly by business. A lot of attention has focused on the negative externalities of manufacturing—environmental effects that pollute the air and water, traffic congestion, noise and smells. Public policy has pushed many firms to remediate these effects and to segregate in industrial districts with the appropriate infrastructure. Firms remaining in older districts adjacent to gentrifying residential zones have experienced pressure to change their ways or go away.

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Sectors, Neighborhoods and Workforce Partnerships

The mayoral administration of Harold Washington (1983–87) in Chicago took a special interest in manufacturing and ultimately created a number of model interventions in support of it. This interest was in part a response to the volatile times of deindustrialization and plant closings, especially in Chicago. But it also reflected the roots of many of the activist planners supporting Washington who had developed a critique of real-estate-led economic development and instead focused on jobs, neighborhoods and balanced development. I had the opportunity to work for Harold Washington on manufacturing issues for the city's Department of Economic Development and arrived with a similar mindset and experience.

Robert Mier, our economic development commissioner and a planning professor from the University of Illinois at Chicago, saw much of our industrial development work as being at the intersection of economic sector and neighborhood. On the one hand, manufacturing could be seen in terms of sub-sectors like steel or apparel, with specific, shared characteristics and needs related to markets, technology, public policy and human capital. Policy and practice interventions made more sense if directed to common industry problems and opportunities. On the other hand, these same manufacturing firms operated in real places that often contained a mix of manufacturing firms—for example, metal fabrication as well as food production—and encountered specific environmental challenges. We needed to work on both these fronts as well as understand the interplay between sector and place.

To address sectors we organized a number of industry task forces and invested with partners to organize additional task forces over time. The basic idea was to do some planning by sector—understanding the state of affairs and future opportunities for steel or apparel or printing or food production—and identifying

points of intervention that the City of Chicago could advocate for. These task forces were both forward looking and humbling—in terms of the changes rocking local industries and the limitations of local tools for interventions—but they were a way to understand the interconnections in the local economy and how they scaled regionally and globally. Regional economist Anne Markusen called this approach "building on the basics."

In terms of neighborhood manufacturing, we invested primarily in creating and supporting a more effective network of local industrial councils that would visit and organize manufacturers on a neighborhood basis. The hope was to obtain from these conversations with firms real-time information about impending plant closings, expansions, infrastructure requirements and bureaucratic bottlenecks. We also experimented with creating community/labor "early warning" networks to provide different types of information about firm activity, primarily the early signs of disinvestment, relocation or shutdown. The purpose in both cases was to increase the opportunity to intervene and make a difference.

A major overarching effort growing out of these close relationships with local manufacturers was a multi-year effort to protect industrial land, prevent industrial displacement when possible from speculative commercial and residential uses and make more coordinated investments in neighborhood industrial infrastructure. We made some progress on this front by increasing public awareness about the importance of manufacturing for Chicago and its neighborhoods, fighting ill-conceived zoning variances for new uses that threatened industrial areas and advocating for legislatively mandated industrial planning districts to tighten zoning, reduce speculation and improve industrial area investments.

The combination of these sector and neighborhood approaches led to neighborhood-based studies of manufacturing sub-sectors like screw machine businesses and metal fabricating. These studies in turn produced targeted manufacturing interventions and ultimately what we have come to call workforce or sector-based partnerships that customize workforce interventions for new and incumbent manufacturing workers. A premier example is JARC, the Jane Addams Resource Corporation, which has now grown to be regional in scope. Its core approach is to focus both on employers and workers and to integrate funders and workforce partners.

The Manufacturing Opportunity

We've learned again over the past several years that manufacturing is not dead and in fact has a lot of competitive strengths. While the economy will not be rebuilt on it alone, it is certainly part of the export and innovation strategy for the future. We have also realized that building upon the basics of new green industries to jumpstart new manufacturing growth is a long-term proposition. Finally, the skills shortages of today will only grow by the end of the decade as more retirements occur. All of these fronts present manufacturing opportunities. Planners need to be ready now to imagine how this important set of economic institutions and processes can support vibrant regional economies and cities of opportunity. P²

Suggested Readings on Manufacturing

The American Prospect, January 2010. Special issue on manufacturing covers a broad range of national issues.

Barry Bluestone and Bennett Harrison, *The Deindustrialization of America* (1982). First major progressive response to wave of plant closures starting in the 1970s.

Joan Fitzgerald and Nancey Green Leigh, *Economic Revitalization: Cases and Strategies for City and Suburb* (2003). Analysis of U.S. cases, industrial retention in Chicago.

Greg LeRoy, *The Great American Jobs Scam: Corporate Tax Dodging and the Myth of Job Creation* (2005).

Michael Piore and Charles Sabel, *The Second Industrial Divide* (1984). Manufacturing in transition from mass production to smaller units.

Joel Rast, *Remaking Chicago: The Political Origins of Urban Industrial Change* (1999). Chicago's "local producer strategy" through the 1990s.

Lowell Turner and Daniel B. Cornfield, *Labor in the New Urban Battlegrounds: Local Solidarity in a Global Economy* (2007). Labor adapts by working with local communities.

Josh Whitford, *The New Old Economy: Networks, Institutions, and the Organizational Transformation of American Manufacturing* (2005). Changes in the structure of manufacturing.