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Study: Chicago area needs innovation to maintain competitive edge

Discussion Story

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By Bowdeya Tweh bowdeya.tweh@nwi.com, (219) 933-3316 | Posted: Friday, March 9, 2012 7:00 pm | ■ (12)

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Jon L. Hendricks | The Times

A boat floats off the Portage shore in front of the Chicago skyline. The tri-state Chicago area is in jeopardy of falling behind other global economic powerhouses despite its large size and national importance, according to results released Friday from a study led by the Organization for Economic Cooperation and Development.

Recommendations from the OECD study about the Chicago region's economic competitiveness

- -Use technology-based assets more efficiently to improve productivity growth and its global standing
- Policy support should also focus on other aspects of value creation—such as those in business and financial services. architectural design, or the improved delivery of public services to address social challenges
- Economic development approaches at the state and municipal level in the region, focused on tax breaks for large firms, are illadapted to a knowledge economy. Different factors to support entrepreneurship are integral to the ecosystem and could be more systematically tracked with data and performance indicators that would facilitate

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last year to analyze the area's economic competitiveness, attractiveness, sustainability and political climate compared to other cities around the globe at the request of a group led by the Chicagoland Chamber of Commerce Foundation. The Chicago Metropolitan Agency for Planning and

The Paris-based group launched a Territorial Review

the Economic Development Administration within the U.S. Department of Commerce also worked in collaboration with the study. It was the group's first study of an area in the United

States and 23rd overall. The study encompassed the nation's third-largest metropolitan area with 9.9 million residents spanning 21 counties in Indiana, Illinois and Wisconsin.

"The tri-state Chicago region compares well among the metro regions in the OECD. In fact, the Chicago region is one of the richest metropolitan areas in the OECD and has anumber of key assets," OECD Secretary-General Angel Gurría said in Chicago Friday.

Gurría said Chicago remains the nation's most important transportation hub, but said other significant roadblocks have to be removed. He said the Chicago area has had "disappointing" economic performance since 2000 and if regional employment growth in the last 20 years occurred at the national rate, the area would have nearly 600,000 additional jobs today.

The study called for higher levels of collaboration between the public and private sector, better matching of workers' skills to jobs and improved training for them, improving the innovation climate and bolstering transportation networks are among

enhanced policy support

- Closer cooperation between public and private sources to address a skills mismatch for workers
- Identify clusters with a potential for more innovation driven growth, support business driven research and development capital and capacity for technology transfer
- Develop an integrated infrastructure transportation plan across region in all modes
- Explore further the potential of green sectors

the recommendations provided. Stark racial and socioeconomic divides in the area were also cited as a hindrance to progress.

Thomas Guevara, deputy assistant secretary for regional affairs with the Economic Development Administration, said it's important for communities to think about competitiveness in broader terms than who can offer the best tax credits because it is a"zero-sum game."

"When neighbor fights neighbor, we end up in a race to the bottom," Guevara said. "A regional framework is critical because a global economy requires flexibility, innovation and responsiveness to keep up with a rapid pace of change."

Leigh Morris, Northwest Indiana Regional

Development Authority board chairman, said in a statement there is clear economic interdependence between Indiana, Illinois and Wisconsin and the review "identified a number of opportunities to make it much stronger."

"To accomplish that we need to find ways to set aside such barriers as state lines and capitalize on the combined strengths in our region, and the OECD study identified a number of them," said Morris, who is also senior vice president of Northwest region development with the Indiana Economic Development Corp.

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