

St. Petersburg Times ONLINE TAMPA BAY



[Weather](#) | [Sports](#) | [Forums](#) | [Comics](#) | [Classifieds](#) | [Calendar](#) | [Movies](#)

The jobless plead for a fix

By ROBERT TRIGAUX, Times Business Columnist
Published October 7, 2004

CLEVELAND - Imagine what would happen to Florida if many of its tourists and snowbirds discovered they could go somewhere else and enjoy the same weather, beaches and theme parks for a lot less money.

In about the time it takes a Shamu belly flop to soak a crowd, Florida would be crying for economic aid, questioning its economic future and hammering national leaders that ignored its plight.

That's the kind of desperate feeling Ohio is experiencing with an ongoing loss of 237,000 jobs - especially more than 137,000 of its prized manufacturing jobs that have fallen to foreign competition - in the past four years.

In this proud but job-challenged city and the surrounding industrial heartland of northeastern Ohio, where manufacturing prowess - the hands-on skills to make real things - is still next to godliness, they can't figure out what went wrong so quickly.

What happened to the Cleveland Comeback, as the locals call the blossoming of the regional economy in the 1990s? Ohio's unemployment then was lower than the national average. By 2001, Cleveland's unemployment was at 8.6 percent and has since climbed to 12.3 percent. Statewide in August, Ohio had a 6.3 percent unemployment rate and lost 11,800 jobs.

The result: Struggling Ohio remains the nation's poster child for economic woe, as well as a critical swing state, along with Florida, in the 2004 presidential race.

While this northeast Ohio clearly favors Sen. John Kerry (it was the only region in Ohio to support Gore in 2000), President Bush is leading in many other parts of the state.

Tuesday night's vice presidential debate between Vice President Dick Cheney and Democratic challenger Sen. John Edwards at Case Western Reserve University here did little to comfort the Buckeye State's economic outlook.

When Cheney was asked how to help Cleveland, a city fighting a painful 31 percent poverty rate, among the highest rates in the nation, he said creating more jobs was the solution. Edwards pointed out that the Bush administration still has lost more jobs than it has created nationwide, and Ohio still ranks among the states that have benefited the least.

When the topic of outsourcing jobs overseas arose, Edwards argued the Bush-Cheney ticket was for it, while the Kerry-Edwards team wanted to create incentives to encourage businesses to keep more jobs in this country. In his time to respond during the debate, Cheney did not comment on outsourcing. No clear winner emerged from Tuesday's debate.

Truth is, experts wrestling with the drain of Ohio's manufacturing base are not sure any president can do a whole lot to

stem the tide. But they certainly know the past four years of trade agreements and foreign competition have been devastating. They doubt four more years of the Bush administration will bring any new relief. And they are not sure if a Kerry administration, while willing to review trade agreements for fairness and perhaps provide more financial support for manufacturing, can do anything but slow the powerful pull of jobs migrating overseas to cheaper labor.

Ohio sure would like federal lawmakers to at least try something to help. China is turning into an economic powerhouse far faster than anyone expected, economic experts here say. Consider, for example, that we may see a China-based car company selling low-priced and reliable vehicles in the United States within 18 to 24 months.

"We are in a very tough situation and our presidential and congressional leadership is clueless," warned Ed Morrison, executive director of the Center for Regional Economic Issues at Case Western's business school.

Long-held beliefs that U.S. businesses will always find a way to be more innovative than foreign competition simply don't hold water anymore. "I've seen research and development in Shanghai and Beijing," Morrison said. "Their emerging product capabilities are very sophisticated. And we seem to be asleep at the switch."

Not that global competition got the slightest attention from Cheney or Edwards on Tuesday or, for that matter, from Bush or Kerry when the presidential candidates debated foreign matters last week.

Bush and Kerry square off again in the second debate, town hall style, on Friday at Washington University in St. Louis. If the rise of China is not mentioned then, the last debate opportunity will come in Arizona on Oct. 13, when the two candidates are supposed to focus their debate on economic issues.

Tuesday afternoon, just hours before the VP debate, what to do about Ohio's sideswiped manufacturing economy was the topic of another debate at Case Western's business school.

John Colm, director of a regional business assistance group called WireNet, gave examples of small area companies that made components for vacuum cleaners, steel wire mesh and paper tubes used in painting that had been knocked out by Chinese competition. In a chilling comparison, Colm said China could sell a final product for less than the U.S. manufacturer could buy the raw materials needed just to make that product.

Jon Honeck, a research analyst with the nonpartisan Policy Matters Ohio in Columbus, released updated numbers showing that Ohio's loss of manufacturing jobs due to outsourcing and foreign competition continues to be so dramatic that entire Ohio communities are being devastated, overwhelming efforts to retrain workers.

When manufacturing jobs in Ohio average \$47,000 a year and service jobs average only \$33,000, there are ripples. Fewer people in Ohio now work in the retail sector because the buying power of Ohio consumers has diminished.

If the economic battle to keep manufacturing jobs in this state seems far way and a parochial Rust Belt concern to sunny Florida, think again. Ohio is fighting to preserve its best-paying jobs, or at least find ways to lose them at a slower pace. Florida also faces similar outsourcing pressures on service jobs, and the Tampa Bay area has seen a steady flow of similar jobs lost to foreign countries in recent times with offshore relocations by Capitol One and Sykes Enterprises.

Florida also insists that it wants to recruit better-paying manufacturing jobs as a way to help reverse the decline in the state's already-low average wage. Trouble is, what Florida says it wants in manufacturing, and what Florida actually does to try and attract manufacturing, are worlds apart.

Ohio's problems were not caused by the Bush administration, WireNet's Colm said. The North American Free Trade Agreement, or NAFTA, as well as China joining the World Trade Organization - two major global trading events -

happened during the Clinton administration. But, Colm added, the Bush administration has offered little to counter the loss of jobs overseas, and on trade matters often sides with foreign importers.

One Ohio economist, Case Western's Susan Helper, refuses to let manufacturing jobs depart without a struggle.

"Some say manufacturing jobs are dirty and stupid, that there is nothing we can do about it," Helper said.

But not all job losses are inevitable. She argued that Ohio plants can and must match the productivity gains of overseas competitors. And in a call widely supported by Ohio economic experts, she said so-called free trade agreements (a misleading phrase among Ohioans) with other nations must be re-examined and renegotiated if necessary. That's something Kerry has indicated he will do, she said.

The biggest worry of all from the drain of manufacturing is that Ohio is slowly but surely losing its industrial memory of how to make real things and make them well. Over time, that loss only increases the U.S. reliance on foreign manufacturers.

That's one side of a national security-obsessed presidential campaign that does not get much attention. "Our talent is dissipating and eroding," Colm said.

Ohio - and the United States - is in danger of losing what he called its innovation infrastructure. The idea that we will have a spirit of innovative engineering when the economy returns is misleading, he warned.

All the manufacturing experts gathered here urged federal lawmakers to think more strategically, rather than just assume that the product made most cheaply, wherever that may be, under whatever conditions, makes it the economic winner.

"What planet are these policymakers living on?" Colm asked.

We certainly do not want to build walls around the United States. But our leadership is contributing to the economic decay in this state.

The collapse of leadership in Congress on a manufacturing policy has left Ohio, Indiana, Pennsylvania and Wisconsin badly hurt, Morrison added.

With less than a month now from the Nov. 2 elections, the economic exasperation in Ohio is palpable.

Robert Trigaux can be reached at trigaux@sptimes.com or 727 893-8405.

© Copyright 2003 St. Petersburg Times. All rights reserved