

REMARKS FOR

Thanky to:
Tammy Tully
J. H. H. H.
C. H. H. H.

COUNCIL ON COMPETITIVENESS MEETING

March 3, 1997

I would like to welcome all of you to this special meeting which is being held under the auspices of the Council on Competitiveness and the Georgia Institute of Technology. As a member of the Board of the Council on Competitiveness and President of Georgia Tech both of these organizations are important to me. The title of our program is "The Future of Research and Development in the Southeast: Uncertain but Opportune Times," a subject of importance to the constituencies our participants represent - industry, national laboratories, government and academia. This is one of three such regional meetings to be held, with one having occurred last week in California and a third to occur in Indiana in March. This will be followed by a national gathering hosted by the Council which will bring together the ideas from the regional meetings as well as other sources.

We are here to consider the very real issues that are provided to us in the excellent report by the Council on Competitiveness, "Endless Frontiers, Limited Resources," a copy of which was sent to all of you. We even provided "reading adverse" executives with our readers digest version of the report, so no one can use the excuse of having not read the issues. What is apparent is that the powerful research engine that has helped drive our nation to the pinnacle of power and influence it has reached today, is headed in retrograde motion and facing significant change. No segment of the enterprise is immune from the effects. While this is cause for concern, it is not a pre-determined outcome that the long term result will be poorer performance. A little adversity may in fact, be what is needed to shake us from the lethargy of believing that the unquestioned present is the path the future. Thus, our program title, "Uncertain, but Opportune Times."

We are holding this meeting in the Georgia Center for Advanced Telecommunications Technology (GCATT for short), a facility that was completed last year. Our meeting is designed to address issues related to swirling changes that threaten to overtake the ability of the nation's research and

*under the auspices of the Ga. Res. Council
and Ga. Tech. Institute for Gov. + Public Affairs*

development community to respond. We will be searching for new models for the future. It is appropriate that we meet in the GCATT building in that this facility represents a new model for research buildings. GCATT was designed to mix disciplines related to electronic manufacturing, computing, visualization, broadband communications, policy and others with active industrial participation. It is working and producing exciting results, as I hope our meeting can today.

I would like to thank all of you for taking time from your busy schedules to participate with us today. This meeting represents a remarkable collection of talent, including many presidents and chancellors from southeastern research universities, CEO's and Senior technology officers from major corporations and industries, and important government leaders and elected officials. One way to look at it, if this group doesn't have the answers, nobody does.

The purpose of this meeting is threefold:

1. Consider and deliberate on the issues raised by the report, “Endless Frontiers, Limited Resources.”
2. Bring to this process the special perspectives of the institutions in the southeast.
3. Identify research collaboration models in the southeast that might serve for other areas in the country. Examples that come to mind are the Research Triangle Park in North Carolina and the Georgia Research Alliance.

The goals of the meeting are:

1. Create a consensus for the strategy to address the challenges faced by the research and development enterprise in this country, and communicate it to the national level.
2. Build the basis for a network of institutions and people who can work together in the future to continue to adjust plans as the real constraints and changes become apparent.

Excluded from
Texas A&M

For the southeast, this meeting has a special dimension. The southeast has long been a part of the country where the agrarian segment of the economy dominated the technology segment. Wages have historically been lower than the national average; e.g., in 1980, the average wage in the southeast was only 85% of the national average. Our agrarian economies historically have done well, helped tremendously by the university and agricultural research and the agricultural extension service. But the south is changing to a technology driven economy with the rapid development of knowledge-based industries, and the evolution of traditional industries such as textiles, pulp and paper and agriculture to a high tech base. Activities in research and development have also accelerated. The result is dramatic improvement in wages and job availability. By 1995, wages in the southeast had improved to 90% of the national average. Fortune Magazine had added Raleigh Durham and Austin to the top ten best cities for knowledge workers, with Atlanta just behind. These cities and others in the southeast are also leaders in the nation in jobs creation.

The southeast is an area where growth is a given for the coming few decades. From 1980 to 1995 population in the southeast grew from 20% to 22% of the nation's total. It is estimated that in the year 2015, the southeast's population will reach ^{-2x} 23% of the nation's total, with Georgia and Florida growing even more rapidly than the region as a whole. Clearly attention is needed to the education of this growing segment of our population, from K-12 to undergraduates and beyond.

Focusing on the university system, research in southeastern region is a relatively new endeavor compared to the well established traditions of those in some other areas of the nation.

As recently as 1975, only ^{5 in} ~~four~~ southeastern universities ~~(not including U. Texas and Texas A&M)~~ ranked in the top 50

nationally for research expenditures, and none were in the top

25. By 1995, ¹³ ~~eleven~~ were in the top 50. ^{These} ~~and while none still~~

^{meeting let me mention four examples.} ~~were in the top 25, three~~ Duke University, Georgia Tech and

^{and the Univ of Ga.} the University of North Carolina, respectively, were ranked

^{in Research Rep. in 1995} 26th, 27th and 29th. ^{land 31st} It is notable and important to the theme of

this meeting that the rise of research volume in these

Universities has been helped by well designed government,

industry and university collaborations, the Research Triangle in North Carolina, and the Georgia Research Alliance in Georgia. It is also notable these are two areas of job growth and high wages in the S.E.

~~The issue at hand is that if the research and development budget is going to shrink, it is doing so just as southeastern research universities arrived on the scene. (refer to the overhead)~~
Collaboration between government, industry and universities do work, but how will that be sustained as the federal government retreats and industry retrenches.

Because we are still in a tender stage of development, will we suffer a disproportionate reduction in research funding when the reductions come? Will our impressive recent regional progress in wages and job creation be reversed? Will our ability to innovate and produce technology decline?

It seems to me that the issues surrounding finding a new collaborative model to sustain research and development for the future are even more important for the southeast than they might be elsewhere. Let me suggest that this be considered in your deliberations as we move forward today.

Thanks to Tammy Tully, JLE, AH, PB, GCART Staff
John Yochelson, John Wince Smith

Table Mr.
on back
of my
Meg Norris
Bob
Harty

It is now my pleasure to introduce Mr. John Yochelson.....

President of Council on Competitiveness; Senior positions at CSIS,
Harvard University; Advisory groups in Congress & State Department