

Remarks of Charles S. Way, Jr.
"The Role of Higher Education in Economic Development"
S. C. Commission on Higher Education
Conference Room
1333 Main St., Ste. 200
Columbia, SC
Thursday, April 5, 2001 (11:00 a.m.)

- Thank you for inviting me here today.
- When I was asked to speak to you, I was told you were interested in hearing my ideas on the role of higher education in the economic development of South Carolina.
- I truly believe higher education has an important... THREE-PART role to play.
- But first, let me set the stage for that with a few comments about our state's economic development effort.

- South Carolina's economic developers focus on creating and expanding the wealth of our citizens by fostering positive changes in the level and distribution of employment and per capita income.
- I am pleased to note that over the past two years, South Carolina has seen tremendous growth in announced business investment -- more than 12 and-one-half BILLION dollars ... and in the creation of 65,000 more new jobs.
- I mention all this because the end result is an improvement in the well being of our residents.
- And since those of you working in higher education are also ultimately charged with improving the well being of our residents...We're both working toward the same goal.

- It's like that old saying: There are many paths up the mountain, but the view from the top is the same.
- Make no mistake... **RESPONSIBILITY** for economic development remains a function of state government and our local allies.
- But as South Carolina and the rest of the world moves increasingly toward an information-based economy...
- Meeting the demand for new knowledge and skills while upgrading the existing skills of those currently in the work force... becomes a critical factor in a successful economic development equation.
- As a result... "knowledge production" emerges as a major requirement in meeting our biggest economic development challenge...

- And that is providing South Carolina businesses... both prospective and existing... with the skilled and educated employees that they need to successfully compete on a global scale.
- Today's savvy business leaders want employees with strong minds.
- Such leaders understand that productivity and profitability are tied directly to the skill and education levels of their employees.
- And their awareness of THAT significantly raises the strategic importance of an educated work force in our efforts to recruit and retain a strong, diverse business base.
- It also moves higher education UP FRONT when it comes to the resources state and local economic developers rely on.

- Just as it moves our colleges and universities PAST teaching, conducting research, and providing service to the community-- the THREE major roles they have traditionally been assigned. To their THREE-PART role in economic development I mentioned earlier.
- For example, higher education can contribute to economic development by applying its TEACHING capabilities DIRECTLY to work force enhancement.
- Despite all you hear today about technology and computers... economic development will rise or fall on the success of our workforce development strategy.
- That's because 75 to 80 percent of the people who will make up the workforce in the Year 2015 are ALREADY in the workplace TODAY.

- Yet many of them do not have the skills and knowledge needed to work productively in the highly technological workplace of the 21st Century.
- That's one reason the fastest growing segment of today's higher education population is adults who have already been in the workforce.
- It's also why a successful workforce enhancement strategy for economic development requires we provide such students with training on HOW to learn as well as skills.
- Such a requirement calls for a **COORDINATED** approach and **MEANINGFUL** results from our technical colleges, four-year colleges, and universities in at least three areas:

1. Remedial education for functionally illiterate adults and English language training for immigrants barred from the workforce by reading and writing skills deficits.
 2. Retraining and "reskilling" workers displaced by shifts from old-line manufacturing and agriculture to service and knowledge-based sectors;
 3. Renewing and updating professionals and managers in current and emerging technological advances.
- Now let me move... to the second part of higher education's THREE-PART role in economic development.
 - SOME of our colleges and universities are accelerating the development of new technologies through the basic and applied research they are conducting.
 - And while the Photoniks Lab at USC, Clemson's Fiber Research program, and MUSC's

Pharmaceutical Development Center and its Biotechnology Resource Laboratory are all examples we can be proud of...

- South Carolina's universities still have the opportunity to carve out nationally recognized niches for themselves in specific areas of technology intensive research.
- We must resolve the fact that every southeastern state-- except Mississippi --Thank God for Mississippi -- has at least one university ranked ahead of South Carolina when it comes to attracting federal research dollars.
- Research is important to our state's continued economic development because it generates new expertise, products, and services.
- And when made available to business and industry, these help spark the economy.

- That brings me back to the third major goal traditionally associated with our colleges and universities-- providing service to the community.
- Is there an economic development corollary for that? Yes!
- It's the last part of the THREE-PART role I believe higher education can play in economic development.
- And that is helping entrepreneurs build up the skills necessary to make jobs.
- Small businesses are responsible for creating a significant percentage of all new jobs in America... And, they account for a sizable portion of the overall workforce.

- That's why I advocate our colleges and universities support business growth in their local communities through more incubation services.
- The Arthur M. Spiro Center for Entrepreneurial Leadership at Clemson... and USC's brand new Columbia Technology Incubator both offer fledgling businesses rental space and other key business support in the Upstate and the Midlands... but that still leaves a lot of ground to cover in the rest of the state.
- We also need to take another look at the licensing and patenting activities at our universities. Unlike other states, in South Carolina the majority of these activities are taking place with companies located outside our borders.

- From an economic development perspective that translates into fewer South Carolina based start-up companies because technology is being developed HERE, but the licensing is going out of state.
- That robs our existing businesses of access to new products and processes and slows their expansions.
- So there you have it... Some observations on the role of higher education in the economic development of South Carolina.
- In closing, let me repeat that all the economic development roles I've outlined here today are logical extensions of the roles colleges and universities have traditionally fulfilled in our society.
- And let me emphasize two things: First, as we move more and more into an economy driven by knowledge and skills rather than "backs and brawn"...

- Our institutions of higher education can expect to be increasingly challenged... and called upon to act as power hitters for our economic development team.
- And last: We all have a role to play in further improving the financial well being and quality of life for the people who call South Carolina home.

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