

BLUE:

THE COLOR OF MICHIGAN'S NEW ECONOMY

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While everyone is talking about going green, the Engineering Society of Detroit Institute (ESDI) recently held a symposium to start a discussion about ways to benefit from a Blue Economy. New industries are emerging every day with the sole purpose of ensuring a greener, more energy efficient and environmentally friendly planet, yet, “How does Michigan fairly and effectively build a policy consensus for a critical resource that everyone needs?”

This is the mega-question ESDI addressed at its Michigan Clean Water Initiative symposium held May 19–20 at ESD’s headquarters. More than 40 participants from sectors such as academia, environmental, engineering, government, automotive, and the City of Detroit met for two days to discuss the impact water can have on Michigan’s economy.

The Great Lakes have approximately 20% of the surface freshwater in the world, and Michigan has over 889,000 acres of freshwater lakes, reservoirs, and ponds, as well as 50,000 miles of rivers and streams and 6.3 million acres of wetlands. With this in mind, ESD’s Board of Directors selected the Clean Water Initiative as the subject for a stand-alone symposium because of the significant role water can and will play in the state’s economic recovery and the need to ensure long-term sustainability of this resource.

Participants were divided into workgroups and each group was charged with tackling a specific question, as follows:

- *Michigan Blue Economy Workgroup*: If you were creating a Blue Economy from scratch, what would it look like and how would you accomplish it? This group focused on identifying the enablers required for building a Blue Economy in Michigan.
- *Water Peace Workgroup*: If you were creating water peace for Michigan from scratch, what would it look like and how would you implement it? This group examined the opportunities that might occur through the establishment of a group of regional stakeholders dedicated to the Blue Economy.

- *Water Regulatory Innovation Workgroup*: If you were creating water regulatory transformation through innovation from scratch, what would it look like and how would you accomplish it? This group concluded that the highest priority for water within the state is the continuous improvement of water quality and the resolution of lingering water quality issues.
- *Water Technologies Workgroup*: If you were creating sustainable water technology from scratch, what would it look like and how would you accomplish it? This group identified many diverse opportunities for economic recovery and growth using water resources in Michigan.

The symposium kicked off with a general session led by powerful speakers, followed by a brainstorming session with all of the participants. Afterwards, participants self-selected into the four breakout groups and began discussing their respective mega-question. The consensus of the four workgroups was that Michigan should be a world leader in the pursuit of water-related research and development, water quality improvement, water-based technology manufacturing, and water-dependent enterprises.

To achieve this leadership role, Michigan should develop a consensus for innovative collaboration between the public and private sectors using the concept of a Blue Economy. The goal of this collaboration would be to create strategic policies and related regulatory framework to balance competing interests among the diverse stakeholders seeking economic growth, investment attraction, tax and revenue base stability, and social and environmental considerations. As a result of the symposium and after compiling the findings of the four workgroups, the ESDI directors recommended the following:

- *Form a Clean Water Steering Committee (CWSC)*: The committee will be in charge of promoting the diversification of Michigan’s economy and the employment opportunities available for students and professionals in transition, as well as developing an



organizational blueprint for a Blue Economy supported or not by the Michigan Green Enterprise Zone. This committee will work in collaboration with ESD's members, Affiliate Councils, and other stakeholders such as the Michigan Economic Development Corporation and the Technical Advisory Committee (TAC) of the Detroit Water and Sewerage Department (DWSD).

- *Establish State Funding Sources:* Michigan should consider the development of a source of funding for water-related economic development based on the state-owned bank model similar to that of North Dakota. Another solution would be to issue municipal or other sovereign entity bonds for water projects and enterprises.
- *State University Water Research Collaboration & Center of Excellence:* The State of Michigan has a wealth of outstanding universities engaged in significant water research and development. The state, through a Department of Water, could develop a process for coordinating this work and enabling greater collaboration between the various organizations, thus allowing the transparent sharing of information and findings for the benefit of the private sector.
- *Growing and Supporting a Blue Economy within the*

Detroit Water & Sewerage Department: While DWSD is an essential element in the formation of a Blue Economy, it faces many challenges as one of the largest water and sewer providers in the country. Some of the strategies DWSD can consider to help reframe its vision and goal would be to use the TAC process, through collaboration with the Clean Water Steering Committee, to identify potential businesses around the country that have a heavy dependency on water in either their product or process. Second, encourage dialogue and problem solving to ensure that existing users of the system are not lost in order to optimize efficiencies and investment already made in the DWSD without adding needless regional debt.

Third, DWSD should explore whether or not private sector modeling methods such as the Four Square Analysis could benefit the region. This analysis provides an investment tool that evaluates system requirements based upon supply and demand under three timeframes: Now, New, and Next. Finally, identify synergies that may exist between DWSD and Michigan's engineering and technical professionals in transition, allowing future employment opportunities in Michigan. For more information about the Blue Economy and to download a copy of the symposium report, please visit www.ESDInstitute.net.

The mission of the ESD Institute is to foster through integrity and inclusiveness solution-based contributions for the benefit of our engineering, scientific, and technical professionals and for Michigan's economy recovery. To accomplish this mission, the Institute brings together diverse stakeholders from industry, labor, government, academia, nonprofits, law, and finance to generate new ideas and implement those ideas to meet the needs of today and tomorrow.



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