

Wisconsin Must Diversify Its Economy

Written by David Newby, Wis AFL-CIO

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MADISON - The current budget battle in Washington underscores the uncertainty facing states such as Wisconsin that have historically depended on federal spending for jobs.

While some in Congress and the Obama administration are trying to boost the Pentagon's already bloated budget, there's a bipartisan coalition emerging that's looking to cut irresponsible defense funding. At the same time, local communities such as ours that rely on federal spending remain vulnerable. Unfortunately, Wisconsin is not immune. This is particularly true for the truck plant in Oshkosh and shipbuilding in Marinette, as well as their network of subcontractors around the state.

With the wars in Iraq and Afghanistan winding down, reductions in purchases of military vehicles from the Oshkosh Corp. have resulted in the loss of thousands of jobs. To address this problem, the Oshkosh area has received a grant from the Pentagon's Office of Economic Adjustment to explore ways to diversify the local economy. A similar approach should be pursued at the state level, before any more layoffs occur in the military sector.

The Oshkosh Corp. would see a boost in jobs if it receives the contract for the Army's Joint Light Tactical Vehicle (JLTV) later this year. The competition is fierce, so a win on the JLTV is far from certain. But winning the contract would provide breathing room to carry forward plans to create nonmilitary-related local jobs. Then, when the next downturn comes, Oshkosh will be better able to weather a shift in spending.



A similar situation exists in Marinette, where the current iteration of the Navy's Littoral Combat Ship (LCS) is built. The Navy will soon seek a new design for the LCS. But, just as in Oshkosh, there is competition for the contract and uncertainty is the watchword. Developing alternatives would serve as a useful "Plan B" to deal with any reductions in the number of LCS ships slated to be built in Wisconsin.

Other military contract-dependent states have moved forward with plans for alternative jobs and

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industries. In Connecticut, a bipartisan bill in the state legislature created a Commission on Connecticut's Future that brought together employer representatives, small businesses, union leaders and others to seek ways to diversify the state's economy with sustainable jobs that can cushion Pentagon spending uncertainties. Michigan recently received a grant from the Pentagon's Office of Economic Adjustment to develop alternative plans for 10 companies statewide. More grants of this type are available, and it would serve Wisconsin well to seek one as a way to solidify its economic future.

There are already groups around Wisconsin that have been working on how best to reduce defense dependency. A group of organizations called Sustainable Solutions: Wisconsin Defense Transition Coalition has been pushing for planning, retooling and job training to save good paying jobs and create new ones while transitioning to a new sustainable economy. One of the group's proposals is for the Oshkosh Corp. to shift production of civilian-related products now destined for a plant in Mexico to Wisconsin. While the coalition advocates reducing Pentagon spending in order to fund unmet domestic needs, they are clear that this shift in priorities must not come at the expense of workers such as those at Oshkosh Corp.

It's time for a new approach that will put Wisconsin's economy on a sound footing for the future and protect it against the uncertainties of the military budget.

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