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Michigan Chooses Its Future – The Choices Are Being Made

Michigan State University

Cooperative Extension Service

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# MICHIGAN CHOOSES ITS

# FUTURE

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## The choices are being made

**M**ichigan is bankrupt," "Michigan, leader of the U.S. Rust Belt," "Michigan leads U.S. in unemployment," "Welfare costs still rising." These headlines and others face Michigan citizens month after dreary month. Some of us tune off the bad news. Others feel angry but helpless. Still others want to know what can be done about the situation.

Yet, there are choices being made daily that determine Michigan's future. These choices are being made by individuals, business leaders, government administrators and political leaders to name but a few.

One of the keys to better decisions is a clear understanding of the problems and studying alternative solutions. Remember, Michigan's problems didn't just happen suddenly and they will not go away suddenly.

From the earliest settlers to the later industrial migrants of World War II, Michigan has been a land of promise. Surrounded by the jewels of the Great Lakes, covered by great pine forests and enriched by minerals and varied soil, Michigan has much to give. Industrious immigrants came seeking to build a better life for themselves and their communities. In the process they created an agricultural and industrial state. Yet, even as it has become the home of 9 million residents, it has retained enough natural beauty to attract millions of tourists each year.

In spite of its attributes, hard times have fallen on our state. Few would argue that in recent years socio-economic forces have caused great distress in our cities, suburbs and rural areas. High unemployment



has caused concerned citizens and public officials to ask why this has happened and how the problems can be overcome.

Michigan is closely bound to its neighboring states in employment patterns, tax laws and business environment. It is logical that we should look at whether Michigan's situation is unique or if there are larger national trends.

A cursory examination reveals that there are indeed major trends evident in the U.S. and that some favor one region over another. In fact, there are world trends in heavy industry,

manufacturing and electronics that are changing world trade patterns and the balance of trade.

Before investing time in studying these trends, it is relevant to ask, "what can I do about these trends?" Believe it or not, a concerned citizenry and its leaders can reverse a trend. It is important to remind ourselves that to reverse such trends requires harnessing of intellectual, political and public energy. What follows are some of the relevant trends which have an impact on Michigan and are likely to have a strong influence in the future.

## Trends and Issues:

**M**ichigan's Changing Economic Base. The signals of change come from record high unemployment levels, state and local government units in financial distress, and the deterioration of our public facilities and transportation systems. The automobile industry has dominated Michigan's economy for most of this century. It has contributed to the state's prosperity and quality of life. However, the automobile industry is volatile, accentuating the ups and downs of the state's economy.

While the recession still dampens the economic climate of Michigan, we read where an automaker reports an all-time record profit. The same week this company plans to eliminate 80,000 hourly workers by 1986. At the same time headlines inform us that while unemployment is down in Michigan, emergency family relief numbers are increasing. We can't help but be confused by this information. But can we make sense of this overload and anticipate Michigan's choices for the future?

It is most unlikely that Michigan will allow its industrial base to disappear. However, the industrial base is changing through the use of computers and robots by factories and manufacturing plants. The Buick City plant in Flint using the new "just in time" assembly arrangement and the newly automated Hamtramck plant in Detroit are examples of these trends.

**I**n its drive to diversify, Michigan is also turning considerable energies and creativity to encouraging growth of the high technologies of biotechnology and electronics. It is

encouraging new agricultural processing industries for broilers, pork, soybeans and cheese.<sup>1</sup> Michigan's forest resources are lightly used and new industries using wood products and derivatives are being encouraged.<sup>2</sup> The expansion of present plants is being facilitated by research and investment funds.

But Michigan is facing more than economic change. There is a transition in the social fabric and lifestyle of our people that will change and be changed by new communication and production technologies. Transportation modes, location of small industries and the community of workers servicing them are now adapting to new patterns and settings. There are pressures for more rapid adjustments.

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**"Humanity faces a quantum leap forward. It faces the deepest social upheaval and creative restructuring of all time."**

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"Humanity faces a quantum leap forward. It faces the deepest social upheaval and creative restructuring of all time," says Alvin Toffler in his book **The Third Wave**. "Without clearly recognizing it," he continues, "we are engaged in building a remarkable new civilization from the ground up."

This new civilization, which Toffler terms "the third wave," will take the place of the dying industrial civilization, the second wave. These changes will encompass our governing institutions, our educational system, our working and our living patterns. Michigan and its neighboring industrial states are in the forefront of this change.

John Naisbitt, author of **Megatrends, Ten New Directions Transforming Our Lives**, says "we are living between eras." "Those who are willing to handle the ambiguity of this in-between period and to anticipate the new era will be a quantum leap ahead of those who hold onto the past," he says. The time of the parenthesis is a time of change and questioning.

"As we move from an industrial to an information society," Naisbitt continues, "we will use our brain power to create instead of our physical power, and the technology of the day will extend and enhance our mental ability. As we take advantage of the opportunity for job growth and investment in all the sunrise industries, we must not lose sight of the need to balance the human element in the face of all that technology. Yet, the most formidable challenge will be to train people to work in the 'information society'" (the author's characterization of this oncoming third wave society).

"Jobs will become available," Naisbitt says, "but who will possess the high-tech skills to fill them? Not today's graduates who cannot manage simple arithmetic or write basic English and certainly not the unskilled, unemployed dropouts who cannot even find work in the old sunset industries."

The issues raised by the two authors have been well stated and their validity documented. These issues require attention if we are indeed moving from an industrial to an information society. The following is a sample of other major trends presently having an impact on Michigan or that are on the horizon.

<sup>1</sup> Proceedings of the Michigan Governor's Conference on Agriculture 1981. Also Food Processing Opportunities in Michigan, Dept. of Commerce 1983.

<sup>2</sup> Pulp and Paper Investment Opportunities In Michigan, published by Chas. T. Main, Inc., November 1982.

# New Communication Media

**T**he dramatic changes that have taken place in communication media in the past 10 years are emphasized when contrasted with four or five decades ago. The dry cell battery radio and the hand-cranked telephone gave way to the high fidelity radio and touch-tone/cordless telephone of today. The crude but marvelous black and white television has evolved so that today we demand a color picture of clear resolution.

One of the great technological breakthroughs arrived with the satellite. The impact of the telecommunication satellite on our society and societies around the world is still being adjusted to even as we open new frontiers. It makes instantaneous communication possible via radio, telephone and television. Classes, business conferences and medical operation discussions can take place on a face-to-face basis even though the participants are a thousand miles apart.

As these communication media are being linked with in-house computers and electronic machines, a new world is indeed before us. Executives are linked instantly from office or home or automobile with far flung enterprises. Farmers can change in a moment feed additives to their livestock to take advantage of price changes. The grocery store checker passes the package across the electronic eye and the price registers on the check-out tape. At the same instant the computer stores in its memory the quantity of that particular item still on the shelves. It can even signal the warehouse when an additional supply is needed.

# The Work Force

**M**ichigan's current work force of over 4 million has increased rapidly in recent decades. This buildup is an important factor in the present high unemployment rate of about 11 percent. Some 175,000 men and women reach working age each year compared to 85,000 who leave the work force. A large annual increase also comes from additional women entering the work force. In 1970 the proportion of all women in the labor force was 40 percent. In 1982 the proportion was 52 percent with an average yearly increase of 40,000 participants.

Now, however, the rapid buildup of the labor force is finished. Fewer young people are reaching the job market age and the number of

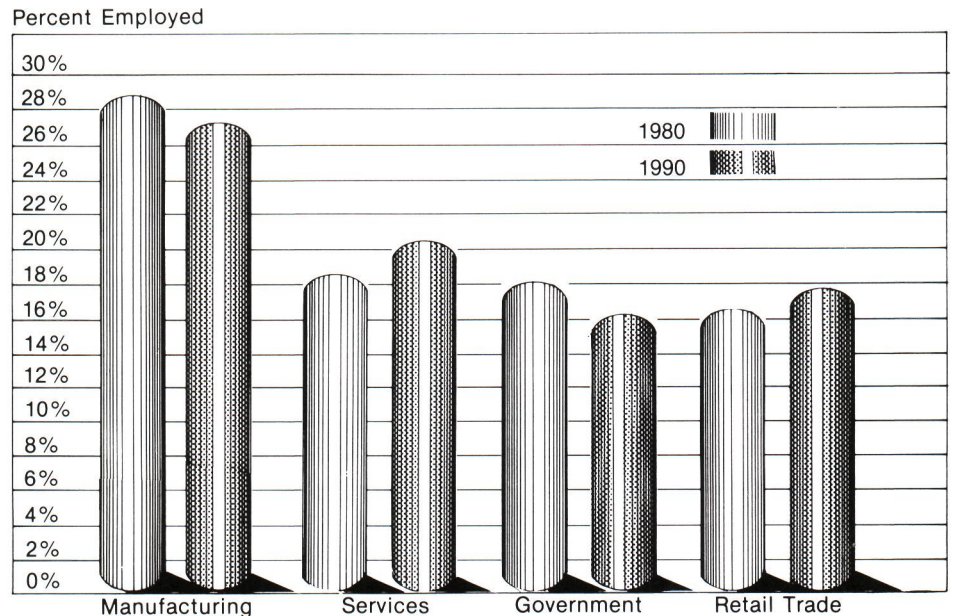
**S**uch changes have associated costs. There are the psychic costs to humans from learning to do things a new way. There are the costs of job displacement. One grocery store checker will now do the work of three or four, a secretary the work of five, an executive the work of 10 and a farmer the work of 50. The technological revolution has hardly begun for the building and construction trades contractor, the teacher or the doctor.

There are many changes facing us as we move to the 21st century. Some we will welcome with few reservations for they promise a better tomorrow. Others we will want to slow down or modify to cause less social anxiety or economic stress.

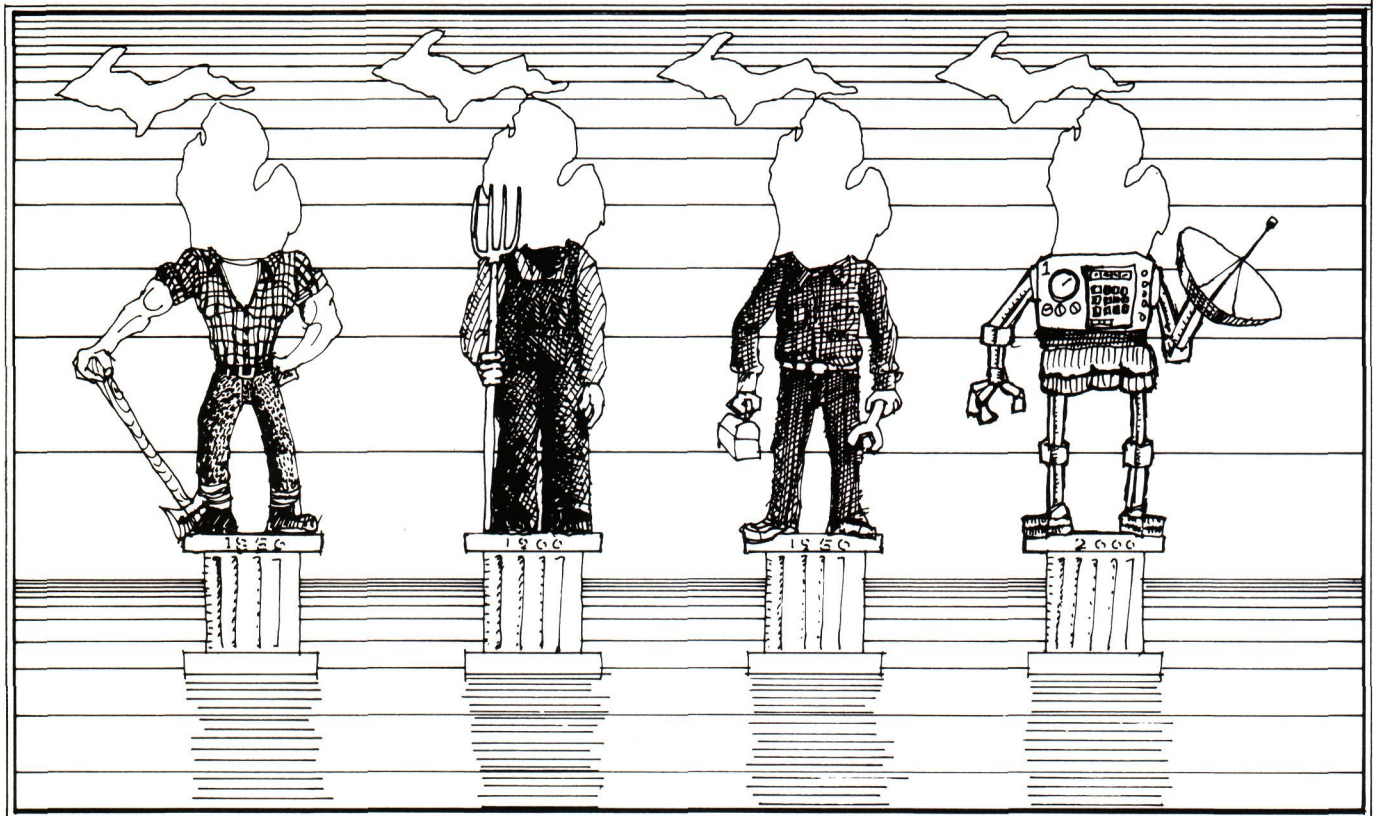
Figure 1

## Employment in Michigan by Source

1980 and 1990



# The Evolution of Michigan's Labor Force



women entering the labor force is expected to slow down.

A 1983 labor market projection gave the following details of the deployment of this labor force for 1980 and 1990 (Figure 1). In 1980, 23 percent of the work force was employed in the manufacturing of durable goods. These 800,000 workers processed lumber and wood products, metals, electrical and nonelectrical equipment and transportation equipment. Another 200,000 worked with nondurable products, including food, textiles, printing and publishing, chemicals and petroleum. Over half of the work force was engaged in non-manufacturing activities. Wholesale and retail trade employed some

730,000 workers in this nonmanufacturing category. Services, including hotels, businesses, vehicle repair and health, involved another 645,000 workers. State and local government employees numbered 628,000.

Projections for 1990 and beyond are based upon knowledgeable judgments of the impact of present and future trends. Most experts agree that the decade ahead will produce a sizeable percentage increase of workers in the service industry.

**W**e look to a further decentralization of new industry. Small businesses which create some 90 percent of new jobs are expected to move to the smaller cities and

towns of Michigan. These dispersed job opportunities, plus the new technologies of communication, are likely to encourage a wider scattering of the work force.

Previous projections estimated that the increasing costs of energy components would encourage higher levels of population concentrations. Such concentrations would provide cheaper transportation costs per rider and allow economies in the generation of electricity and cogeneration of steam to heat homes and businesses. However, the present world oil surplus that resulted from energy conservation measures and a world recession has negated the expected higher energy costs, at least for now.

Most projections call for present high levels of unemployment in Michigan to continue through the decade. For the decade of the '90s, the projections vary tremendously. Some see a shortage of labor developing as our population ages and the baby boom work force of post-World War II moves toward retirement. Others predict that with the shift of industries to the South and the West, the impact of the new technologies and increasing competition of labor intensive products from other parts of the world will cause unemployment to be several times higher than at present. Needless to say, this topic requires exploration of alternatives such as shorter work weeks, shared jobs, government jobs created to rebuild our cities, new transportation systems and increased recreational areas.

Our high level of unemployment has caused deep distress in millions of homes across Michigan and America. The continuance of high unemployment may well prove to be the most vexing problem facing our society in the next decade.

**T**he Family: **What impact will the projected trends have on Michigan's families?** New computer-communication technologies now allow the home to be the job location for such workers as stenographers, sales people, clerical help and bank personnel. Toffler says that as many as 10 percent of the future work force may work at home. Shorter work weeks or shared time arrangements affect the family lifestyle by allowing more time for family and community activities, leisure time modes and creative activity.

Another writer, Frithjof Bergmann, professor of philosophy at the University of Michigan, has

argued that sharing of jobs to decrease job unemployment is a viable alternative. He objects strenuously, however, to suggestions for three-day weekends or shorter work days. He argues that much larger blocks of time be given consideration; a month, three months, or a year. The freed time could then be put to useful creative work, not employed in wasted nothingness until Monday morning rolls around. This creative work, he says, could be utilized in improving the home, caring for the elderly, strengthening the communities' social interactions or rebuilding the infrastructure of cities and rural areas.

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**The continuance of high unemployment may well prove to be the most vexing problem facing our society in the next decade.**

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The home has undergone many changes in the last few decades. Fifty percent of the women are employed in the work force in our economic picture. Will the changes postulated on the changing economic base, the communication revolution and the work force lead to a higher quality of life in Michigan? The family is generally regarded as the most important institution in insuring that quality of life. Since the choices we make on jobs, location and communication networks have an impact on the family, we must choose with utmost caution.

## Other Trends and Issues

**T**he **Transportation Network.** Michigan has been rightly proud of its primary and secondary road systems, airline network and rail lines. Through airlines, highways, railways and sea routes, Michigan's citizens and products touch all parts of the globe. The state is equally enriched by tourists and products from every state and nation.

But the past decade has witnessed a deterioration of its rail services, with hundreds of miles of track abandoned. Mass transportation systems have fared little better in spite of the infusion of state and federal funds. In the future, the effectiveness of the transportation network will be vital. If small businesses and larger processing industries are to be successful, adequate transportation facilities must be at hand. If the tourist industry is to be expanded, it will need as one of the key ingredients an accommodating, effective transportation system.

New transportation systems are now being built. Intracity and intercity people movers are being tested nationally. High speed bullet trains are under contract consideration in California, Texas and in the Northeastern U.S. Michigan needs to keep abreast of these technologies to maintain its high standard of living.

**M**ichigan's **Governance System.** There has always been a healthy skepticism of the American people toward those who govern them. One of the goals of the checks and balances built into the U.S. Constitution was to prevent the dominance of a president or a governor over the lives of its citizens. The built-in flexibilities of our federal constitution have endowed it with amendments and judicial interpretations to serve a nation with a few

million inhabitants stretched along the Atlantic seaboard until it has grown to a nation of 230 million inhabiting 3.5 million square miles. The states, on the other hand, have been more inclined to rewrite their constitutions as Michigan did in 1963.

In recent years an increasing chorus of criticism is being directed to the inadequacies of our local, state and federal system. Citizens are organizing tax protest groups at the state and national level to reduce what they perceive to be bloated bureaucracies. In Michigan, citizens express their will through the initiative, the referendum and the recall vote. Bureaucracies grow at local units of government as well. Modern office technology could reduce the personnel in local governmental units by 25 to 50 percent with no loss of efficiency and at reduced cost.

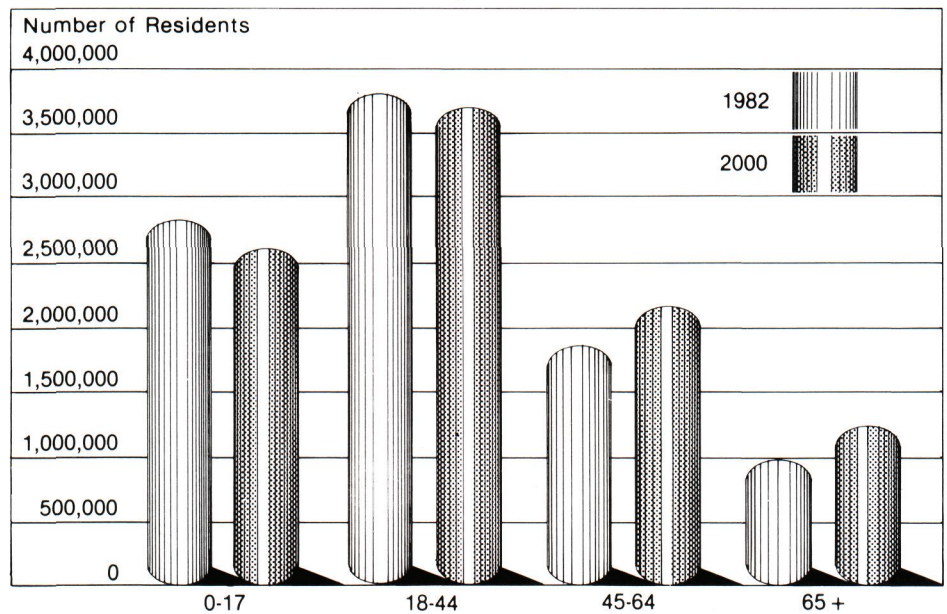
There is a caution to be raised. Broad based tax cuts, such as in proposition 13 in California, may require user fees to be levied as happened in California and Massachusetts. Such user fees tend to be regressive in character. As Michigan citizens continue to study their governance system, they will need to consider the quality and quantity of services they request for the years ahead that are normally provided by government. Services such as fire protection, police, roads, and health can be provided through private contracts, governmental units or a combination of both.

It is clear that Michigan's governmental units at the state and local level are showing fiscal and management strains. It is a policy issue that touches everyone. New communication technology could make us more aware of the issues at local, state and national levels.

It is suggested that direct voting by citizens on matters of legislation and policy are technologically possible. But would citizens invest the time and energy to acquire the information to vote on complicated and controversial issues? That question can only be posed at this time, not answered.

## Number of Michigan Residents by Age

1982 and 2000  
Figure 2



## The Educational System

**T**here are a number of issues centering on Michigan's educational system. Nearly all are aware of the national studies that point to a lowering quality of education in the K-12 programs across the country. Various policy options will be considered and implemented over the months and years ahead to correct the situation.

Another issue facing many Michigan communities is how to adjust to declining student numbers in our primary, middle and high schools. It is difficult for neighborhoods to allow their community schools to be permanently closed, especially when the school is the only integrating institution for that neighborhood.

Michigan has been a traditional leader in investment for the education of its citizens. This commitment

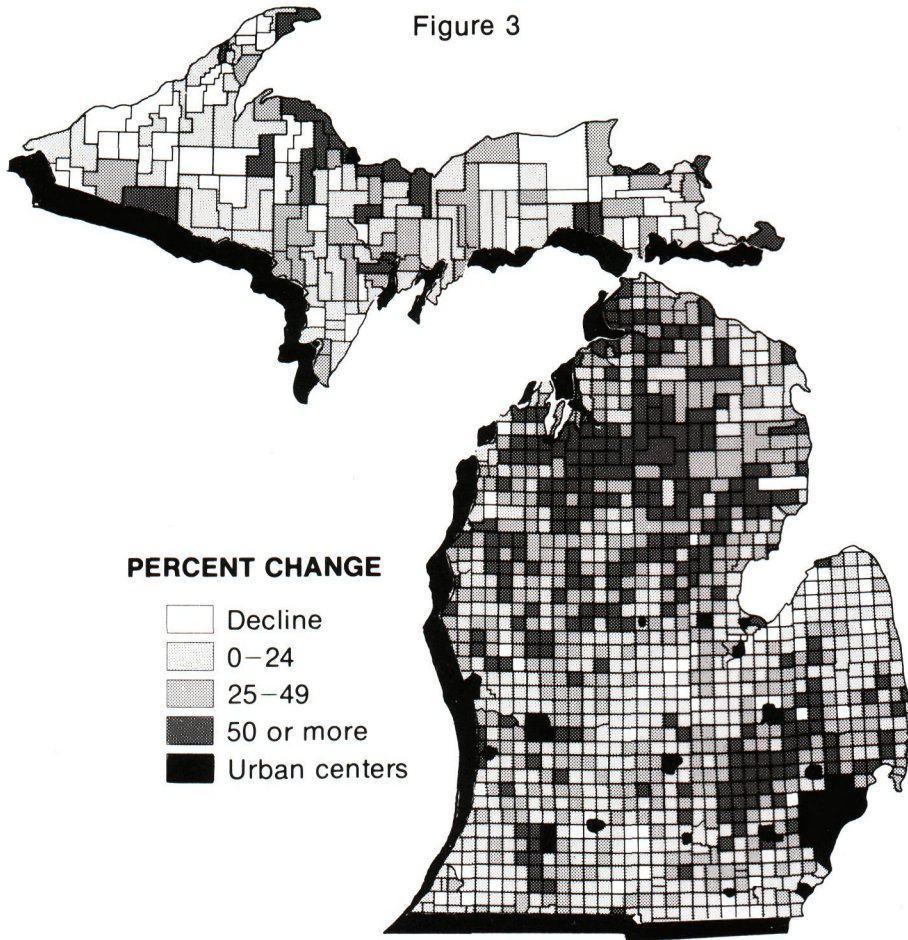
has continued during the recent recession and fiscal constraints at state and local level. In the decade ahead, there will be great pressure to lower public expenditures in Michigan's elementary and secondary schools.

The 91 colleges and universities of Michigan face similar traumatic decisions. A study just released from Washington, D.C. projects a 26 percent drop nationwide in traditional college students. This study recommends that these educational institutions could overcome this decline by a more aggressive training-retraining of the private industry work force. In addition, senior citizens are pursuing more life-long education opportunities. The 1.3 million Michigan residents over 60 years of age are an articulate and growing political and social power in Michigan.

# Rural Population Change

1970-1980

Figure 3



The map shows rural population change by townships. Major increases are in the northern half of the Lower Peninsula, areas northwest of Detroit, and selected parts of the Upper Peninsula. The two case study coun-

ties are outlined in heavy black lines. Map compiled by Richard E. Groop, Department of Geography, Michigan State University. (Based on 1980 U.S. Census Statistics).

**A**s Michigan faces future challenges and choices, it will be looking to its higher institutions of learning to provide well-thought-through options. It will also expect the educational system to be a catalyst for change.

The younger generations are not the only concern. Ten years ago writers called attention to the greying

of America. Now it is termed the aging of America and the impacts of this demographic shift are becoming evident in Michigan (Figure 2). Better health facilities, transportation suitable to the needs of the elderly and other amenities are expected and demanded by this politically articulate group.

There are other trends we will face in our discussions in the months ahead. There is a migration of people and industries from North to South. Another movement is from the East to the energy rich West. In Michigan there is a movement from the urban-suburban locations to rural Michigan, especially to the upper counties of the lower peninsula (Figure 3). The continuation of these trends will have a significant effect upon local tax bases and the ability of townships to provide services to these new urban dwellers.

## Conclusion

**T**he forward thrust of Michigan's industries, educational system, transportation network and all that goes to sustain our quality of life will not come easily. The economic and political forces that have an impact upon us are of national and international scope.

You can influence trends and issues discussed in this paper. Your influence may be exerted with local community leaders, or through formal or informal groups focused at the local or state level. As an individual or as a member of a group, you can reach legislators to acquaint them with your interests and concerns on issues confronting all of us. Our political leaders are responsive to informed citizens who make their opinions known. This is our democratic system. With our help, these democratic institutions will continue to function.



**M**ichigan is now being pressured by powerful social and economic forces to change her way of life. We may choose to resist, but we cannot block these national and international trends. If we are informed and persistent, we can adapt these trends to our preferences. In reality, we can have a higher quality of life in the decades ahead.

The choices directed to these quality of life concerns will center in part around topics covered in subsequent issues of this publication series. These topical publications are planned as follows:

- 1. Michigan's Economic Choices in the Decade Ahead.**
- 2. Information, Communication and Other High Technologies Presently Impacting on Michigan and Future Implications.**
- 3. State and Local Governance System of Michigan Under the Federal Umbrella.**
- 4. Family Life Styles, Quality of Life-Considerations.**
- 5. Michigan's Educational System K-12 and Higher Education.**
- 6. Recreation and Natural Resource Issues.**
- 7. Population Migration Issues.**
- 8. Issues Related to Michigan's Aging Population.**
- 9. Michigan's Transportation System and Needed Changes.**

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