

Investing in the Midwest's New Energy Economy

In February 2011, the Midwestern Governors Association (MGA) released *Midwestern Investment Platform for the New Energy Economy: Advisory Group Recommendations* (Investment Platform). This document builds off of the MGA's previous jobs and energy platforms and lays out distinct but interrelated strategies to help drive investment in new energy economy related commercial technologies, firms and infrastructure.

Increased investment is essential to build the Midwest's new energy economy as it helps support innovation and growth in products, ideas and growing companies. Expanding regional investment requires a broad focus on a variety of options, including, but not limited to, angel investment, venture capital, private equity investment, foreign direct investment, research and development, infrastructure development and other types of capital-dependent support that firms require for success throughout their lifecycles.

Midwestern Advantage

Job creation does not follow state or local boundaries, and neither does the investment that supports it. Pursuing a deliberate strategy to position the Midwest as a global new energy leader is a smart approach and the Midwest has several significant advantages that make it ripe for investment and growth, including:

- first-rate research Institutions;
- vast natural resources;
- a motivated workforce;
- well-developed manufacturing and agriculture industries; and
- a diverse and centrally located transportation and logistics system.

The Investment Platform also suggests that the Midwestern region is primed to undertake "coopetition" in its effort to build the new energy economy. "Coopetition" refers to cooperative competition. It involves traditional competitors working together in key strategic areas so that, as partners, they are better positioned for success on a larger scale, under changing circumstances, or in the face of other emerging competitors. By embracing "coopetition," the Midwest can align efforts to attract new investment in all its forms without sacrificing the integrity of each state's individual competitive position. Given the interconnected supply chains and natural tendency of economic markets to transcend political boundaries, investment in one state very likely can yield substantial benefits in another.

Advisory Group Recommendations

The five key recommendations of the Investment Platform include:

- **Be vocal, deliberate champions of a Midwestern new energy economy investment network.** To accomplish this recommendation, the region must proclaim its intentions for expanding the new energy economy, develop a shared communications and messaging approach, form a team of industrial leaders to develop an implementation plan and see it through to completion, support regional intelligence and visibility related to new energy economy assets, and develop a vision, mission and goals.
- **Harmonize and collaborate around regional economic development strategies.** To help with this recommendation, the advisory group suggested holding regional trade missions, brokering partnerships between Midwestern and international firms, leveraging research and intelligence to innovate cutting edge technologies and convening Midwestern leaders to strategize about creating more investment for the region.
- **Promote network development, exemplary practices sharing and implementation around commercialization and entrepreneurship.** This recommendation includes formulating networks to enhance commercialization strategies and better prepare and support entrepreneurs.
- **Develop and promote a common policy platform and practices to encourage investment in the Midwestern new energy economy.** These efforts could include advocating for the region as a whole, proactively seeking funding through advocacy and collaboration, and identifying exemplary state-level policies to serve as models for replication and harmonization throughout the region.
- **Explore a regional "fund of funds" that targets new energy economy investments.** This recommendation could be accomplished through convening investment experts and staging a regional strategy to explore how to best move the "fund of funds" concept through different staged approaches.