

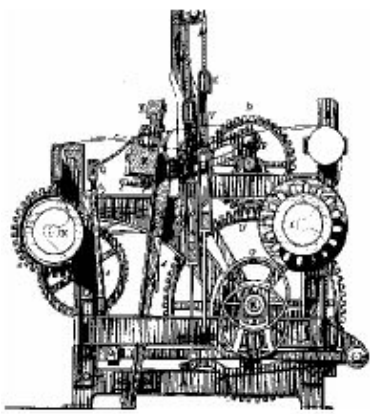


Contributors

Saul Kaplan: R.I. becoming more innovative

01:01 PM EDT on Friday, May 4, 2007

SAUL KAPLAN



OVER THE YEARS Rhode Island has taken its share of hits in the numerous state-by-state surveys that rank such indicators of economic performance as new investment, tax structure and education achievement. These surveys come from a variety of sources, some more credible than others. Although many rankings are based on incomplete data and/or arbitrary measurements of how states stack up, the better of these reports remind us that Rhode Island isn't yet living up to its full potential.

The good news is that we're finally starting to see the progress we're making reflected in these national rankings. This month Rhode Island was cited as one of the "Top Five Movers" in economic transformation in the 2007 State New Economy Index, a report of the Ewing Marion Kauffman Foundation and the Information Technology and Innovation Foundation.

The Kauffman Foundation / ITIF Index contained state-by-state analysis of how state economies are transitioning away from economic-development strategies that focus on big-company relocations toward those that focus on the creation and retention of high-wage jobs in growth industries. The ranking examines the degree to which state economies are knowledge-based, globalized, entrepreneurial, information technology-driven and innovation-based.

In the 2002 Index, Rhode Island was ranked 23rd overall nationally. In the 2007 Index, our ranking moved up to 15th, highlighting the progress we've made through the state's bipartisan efforts to improve our business climate, support entrepreneurs, spur company creation and increase our overall innovation capacity.

One important driver of Rhode Island's ranking improvement is the Rhode Island Science and Technology Advisory Council (STAC). With support from Governor Carcieri and the Rhode Island General Assembly, STAC created the Rhode Island Research Alliance to maximize state and federal investment in Rhode Island-based research, launched a new program to stimulate collaborative research projects across the state, and created a new tax credit for investors in Rhode Island-based innovation companies.

Rhode Island's bid to become the first state with a border-to-border broadband wireless network also brought attention to the state's commitment to building a strong innovation infrastructure. Finished with its piloting phase and preparing for statewide rollout, the Rhode Island Wireless Innovation Networks (RI-WINs), a project of the Business Innovation Factory, will build a platform for wireless innovation that powers innovation across the public and private sectors.

State leaders also recently enacted a tax-reform package that caught the attention of the nation's top financial leaders and was recognized by The Wall Street Journal as one of the most sweeping pro-growth tax-reform packages seen in any state in recent years.

It is exciting to see that Rhode Island's hard work is starting to pay off. Although there is still much more work to be done, the Kauffman Foundation / ITIF Index confirms what we've known to be true for a long time: Rhode Island has what it takes to grow a globally competitive innovation economy.

Saul Kaplan is executive director of the Rhode Island Economic Development Corporation.