

Industrial Policy

Problem Statement

Since January 2021, the White House National Security Council and the National Economic Council have said that for purposes of national security, the nation needs an industrial strategy that effectively promotes the competitiveness of key U.S.-based industries in global markets. In October 2022, the White House provided further specificity on its approach through publishing the following:

- [National Security Strategy](#): “The Biden-Harris Administration has broken down the dividing line between domestic and foreign policy because our strength at home and abroad are inextricably linked. The challenges of our age, from strategic competition to climate change, require us to make investments that sharpen our competitive edge and bolster our resilience.”
- [Remarks on Executing a Modern American Industrial Strategy by NEC Director Brian Deese](#): “About six months ago, I posited that it was long past time for America to embrace a modern industrial strategy. At its core, the idea is a simple one: strategic public investments are essential to achieving the full potential of our nation’s economy Here’s what a modern American industrial strategy does. It identifies areas where relying on private industry, on its own, will not mobilize the investment necessary to achieve our core economic and national security interests. It then uses public investment to spur private investment and innovation.”
- [National Strategy for Advanced Manufacturing](#): “To help the United States remain a global leader, the Biden-Harris administration is focused on efforts that revitalize the manufacturing sector”

In February 2021, President Biden ordered the [assessment of supply chains](#) of 10 industrial sectors. [Completed](#) in February 2022, each industrial base assessment includes a review of “current domestic education and manufacturing workforce skills for the relevant sector and identified gaps, opportunities, and potential best practices in meeting the future workforce needs for the relevant sector” and identification of “education and workforce reforms needed to strengthen the domestic industrial base.” The reports are serving as a basis for action.

At the same time, Congress has passed five bills—the FY2022 Omnibus Appropriations Act, the Bipartisan Infrastructure Act, the CHIPS and Science Act, the Inflation Reduction Act, and the FY2023 Consolidated Appropriations Act—that collectively authorize the Administration to take substantial steps forward in the design and implementation of industrial policies. As with the supply chain assessments, the industrial policies, strategies, and programs called for in each of these laws include efforts to see that employers gain adequate access to workers with the knowledge, skills, and abilities needed to be competitive.

Such access requires well-functioning labor markets and education and training markets. In a number of instances, Congress and the Administration are directing efforts to facilitate such markets. For example:

- Congress has directed the Office of Science and Technology Policy (OSTP) to craft and guide implementation of a government-wide STEM and CTE Pipeline Strategy.
- The CHIPS and Science Act creates a new NSF [Technology, Innovation, and Partnerships \(TIP\) Directorate](#) with a mission that includes to “grow the domestic workforce in key technology focus areas, and expand the participation of United States students and researchers in areas of societal, national, and geostrategic importance, at all levels of education.
- Under the direction of the National Science Board, the National Science Foundation (NSF) is implementing a [Skilled Technical Workforce Initiative](#).
- Each of the 16 research institutes sponsored by the Commerce Department’s ManufacturingUSA has a [workforce development initiative](#) “to define the skills and training needed to satisfy manufacturers’ future requirements.”
- The Energy Department created an [Office of Energy Jobs](#) that supports the creation of jobs in the energy sector. Energy Jobs “works collaboratively across [DOE] . . . and with other federal agencies and regulatory bodies to ensure the successful transition to a zero-emissions economy while creating meaningful job opportunities for all Americans.” Examples of DOE workforce development programs include [solar](#), [vehicle technologies](#), [bioenergy](#), and [green buildings](#).

Framework for Addressing

As indicated in the box below, ETA and BLS have numerous valuable information resources that can significantly contribute to the success of the Administration’s industrial strategy efforts. However, as most of these resources were created for the purposes of program management or traditional macroeconomic policy, the WIAC perceives that they are not well known among the agencies responsible for industrial strategy and, further, their use by such agencies might benefit from user-guided adjustments and enhancements.

DOL WLMi Resources for Sector-Specific Industrial Strategies

Employment and Training Administration

- CareerOneStop toolkit
- Occupational Information Network (O*NET)
- Competency Model Clearinghouse
- Trainingproviderresults.gov
- Registered Apprenticeship Partners Information Database System (RAPIDS)
- Characteristics of the Unemployment Insurance Claimants

Bureau of Labor Statistics

- Occupational Outlook Handbook (OOH)
- Occupational Employment Statistics (OES)
- Employment Projections (EP)
- Modeled Wage Estimates (MWE)
- Local Area Unemployment Statistics (LAUS)
- Current Employment Statistics (CES)
- Quarterly Census of Employment and Wages (QCEW)
- Job Openings and Labor Turnover Survey (JOLTS)
- Business Employment Dynamics (BED)
- Standard Occupation Classification (SOC) system

Specific, Individual Itemized Recommendations

The WIAC recommends that the Secretary of Labor take steps to encourage greater government-wide use of the Department of Labor's WLMi resources in policies and programs aimed at enhancing the competitiveness of key U.S.-based industries in global markets. In particular, the WIAC recommends that the Secretary direct the Office of the Secretary, with the support and involvement of ETA and BLS, to:

1. Create and regularly update a comprehensive list, by federal department and agency, of industrial policy efforts that depend on WLMi provided by the Department of Labor;
2. Take steps to ensure that the agencies responsible for these efforts are fully aware of the Department of Labor's WLMi resources and how to access and use them; and
3. On a regular basis, gather requests from these agencies for improvements in WLMi that would enhance the effectiveness and efficiency of their efforts to promote the ability of U.S.-based industries to compete in global markets.