

Economic development...the Holy Grail for every politician who has ever sought an elective office. Why does it seem so elusive, subject to all manner of machinations by every level of government. If this is a good question, then an even better question is “just what is real economic development and what is local government’s role toward achieving it”?

If you look at recent elections, it appears that “creating jobs” is the euphemism most often cited when the discussion turns to the economic development situation of our city. In the May primary, the incumbent mayor cited the creation of 800 jobs during her tenure as a reason to keep her in office. Apparently, it didn’t fly as a reason so the incumbent mayor, along with four incumbent city council members, were asked to do something else by the voters, with perhaps even more to follow in November.

So if it is not “creating jobs”, then what is this thing called economic development that all of us seek and politicians strive to deliver. Local government often looks to tax abatements, credits, special bonding, direct investment of taxpayer dollars, special taxing districts, government jobs programs, and more to achieve economic development nirvana. A look around at the results for Terre Haute and similar cities shows that all come up woefully short in reaching their goals. In addition, objective research and analysis clearly shows that government choosing of winners and losers is a discredited concept of economic development. So what is the answer?

The best economic development climate is one in which local government sticks to what it both can and should do, does that at the lowest possible cost, and creates a level field for private enterprise to do it’s thing. The goal should be to move toward overall, significant reduction in the tax burden placed on all citizens. Accomplishing this will involve a very different concept of the duties and responsibilities of city government. It would be a difficult task and one could count on the defenders of the status quo to put up fierce resistance.

Well respected and widely read economist Walter Williams, in writing about current government approaches to economic development, stated it is reminiscent of a passage from Marcus Connelly Cook’s play “Green Pastures,” wherein God laments to the Angel Gabriel, “Every time Ah passes a miracle, Ah has to pass fo’ or five mo’ to ketch up wid it.” It is time for mayors and city councils to exit the miracle business and get down to the real business of efficient local government and, in doing so, engage in true economic development.