

Forget old assumptions about economic development

05/20/02

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The departure of economic development director Chris Warren has left Cleveland with big shoes to fill. We must consider carefully the skill, philosophy, vision and commitment that a new director should bring to our city.

The economy of the Cleveland metropolitan area drives the economy of Northeast Ohio region and the entire state. People, skills, infrastructure and potential are all more densely packed around the northern parts of the crooked river than they are anywhere else in Ohio. So the choice we make affects Twinsburg as well as Tremont, Columbus as well as Collinwood.

We can approach economic development with a conventional or highroad strategy. The first will do little to solve the major ills afflicting Cleveland and Ohio. The second could transform us into a higher-wage, higher-skill, more vibrant and more equitable region.

Conventional economic development strategy gives firms all the power.

The thinking goes like this:

"Cleveland needs jobs and tax revenue and has little to offer potential employers. We must grant extensive tax abatements to any company

willing to locate here and we can't demand good jobs, commitment to our community or environmental consciousness in return. If we seek value in return for our abatement, we have no hope of landing this firm."

The trouble with this view is it leads to government subsidies of lowpaying, inefficient firms with shallow roots and deep vulnerability to globalization. Rewarding such firms may actually help drive out higher paying, more efficient employers, who are more likely to thrive in the global economy.

A high-road strategy recognizes that cities can better attract firms by having skilled workers, other businesses to work with and good infrastructure. This makes it counterproductive to sap the tax base and the public schools that are funded from it. It instead encourages investment in infrastructure, education and other public goods. Though it is harder requiring collaboration with neighboring cities, pressure on state and federal policymakers and commitment to our best employers a high-road approach is worth extra effort.

Unusual partners often unite behind high-road development. Cities and inner-ring suburbs, workers and environmentalists, central city people of color and working-class whites, organized labor and urban-based business owners: These groups don't always agree, but they should all support this new approach. Why?

It's metropolitan locating employment and production in cities and inner-ring suburbs where people,

skills and infrastructure are already densely packed. This combats poverty by placing jobs closer to low-income people who need them.

It's green reducing sprawl by emphasizing downtown and inner-ring development and renovation over ex-urban development of park, farm and forest land. It rewards environmentally conscious firms that use green technologies and produce goods in sustainable ways.

It promotes quality emphasizing high-quality, high-wage, high-skill, high value-added jobs over the opposite. These jobs are better for workers. Plus, firms providing them are more committed to the community, because they've spent resources training their high-skill work force.

It's efficient targeting subsidies and tax dollars carefully, instead of wasting precious resources on bad business and sprawl. Putting infrastructure demands where infrastructure already exists is also efficient. This approach is good government and good for the economy.

It's sustainable thinking about the future, focusing on retention and upgrading, seeking to cooperate instead of compete with neighbors. At its best, it can promote good jobs that will survive the next decade and the next generation.

Cleveland has turned toward the high road with a living wage bill that refuses development aid to low-roaders, a new commitment to

education that will upgrade our work force and renewed attention to the lakefront and other public goods. Progressive economic development leadership at the city level will further propel us toward the high-wage, high-skill, sustainable, green city we all desire. Starting here, starting now, Cleveland must close off the low road and help pave the high road.

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