



Welcome to COWS > About COWS > Newsroom > News

## **An Economic Plan - Not**

**By: Joel Rogers**

**From: *Madison Capital Times***

**Date: 6/24/2002**

So the mountainous GOP elephant has labored, and brought forth a mouse. "Build Wisconsin," Gov. Scott McCallum's purported "roadmap for economic growth in Wisconsin," was finally released amid much fanfare last week, several months behind schedule and subject to the usual cost overruns we've grown familiar with from the governor's office.

Some \$300,000 was spent on outside consultancies - including a giant one with the esteemed "aggressive accounting" firm of Arthur Andersen, recently convicted of federal crimes by a jury in Houston for its involvement in the Enron scandal. We can only guess at how much staff time, fleet cars and airplanes, conference calls and other paraphernalia cost, but it must be at least twice as much, so I think it conservative to judge this a \$1 million study.

And it says almost nothing new or useful.

From the executive summary we learn that the process leading up to "Build" involved many people "working together in true Wisconsin spirit!" and that "Build" is the product of "extensive discussions and input from nearly 1,300 citizens across the state, including hundreds of business, labor, education, economic development and state and local government leaders." This is, to put it kindly, exaggerated. I know of only a handful of business leaders who were at all seriously involved in the effort, no labor ones, and have yet to find anyone at the tech colleges or in the university system who was involved in more than a tangential way.

But this aside, "Build" promises some 500 specific initiatives in economic development, addressing myriad problems. Quoting now from governor's office, the key strategies and sample initiatives are as follows:

Improve Wisconsin's business climate.

Promote targeted industrial development in Wisconsin's regions.

Establish regional business incubators to help entrepreneurs commercialize research.

Maximize Wisconsin's human resources.

Provide student loan forgiveness tied to residency.

Develop a recruitment campaign for college seniors to advise them of Wisconsin careers.

Improve Wisconsin's tax climate, including a reduction in the state personal income tax.

Now, just parsing these in order, notice how meaningless or malign these declared intentions are.

**Business climate:** When it comes to business climate, one firm's sunshine is another's rain. The question always is what kind of economic development are we supposed to be encouraging - with what wage and benefit levels, in what industries, etc. - and how public authorities might help achieve it through infrastructure of various kinds, land use rules or tax policy, financing, technical assistance or other supports. But this essential question of where we want to be isn't asked, which makes it hard to figure out how to get there.

**Human resources:** No question that human capital is important to the state's economic future, but nothing is said in the "Build" proposal about how we might increase its quality, or increase demand - i.e., increase the number of higher or differently skilled jobs, with higher pay for those who compete for them, thus leading workers to further their education to get needed skill sets. Instead and only, "Build" seems to have a strategy of bribing college graduates to stay here, and a marketing campaign on Wisconsin's virtues. This particular vacuity is sort of amazing, really, since education is one of the principal areas where public authorities can be of great help, and Wisconsin actually has some of the best programs in the country - thus far, barely supported through state policy - on how to do high-road and worker-friendly training.

**Taxes:** Ah, so now we see the real bottom line. Cut taxes. McCallum's answer to any problem. Along with personal income taxes, "Build" seems to favor cutting corporate taxes further, and - ever the willing servant of whatever Wisconsin Manufacturers & Commerce's latest wish list of corporate giveaways may happen to be - establishing "single factor" taxation in the state, a scheme that enables firms to hide taxable revenues from competing states.

You call this an economic plan? I don't, and can't imagine anyone in their right mind who would. Which is really too bad, actually, since Wisconsin really needs an economic development strategy. But that requires clear and measurable performance goals, serious enough buy-in by affected players to implement steps toward those goals, and a coherent governance that includes relevant players and provides the shared

knowledge base and monitoring capacity needed for continuous improvement. McCallum's opportunity was to state what that might look like in Wisconsin. But based on what we've seen thus far, he has simply, and expensively, failed.

Joel Rogers is director of COWS, the Center on Wisconsin Strategy, at the UW-Madison. COWS is sponsoring "Sustaining Wisconsin," a statewide dialogue about the future of Wisconsin. Go to [www.sustainingwisconsin.org](http://www.sustainingwisconsin.org) for more information.

---

Copyright © Madison Capital Times