

Comment & Opinion

Legislature needs primer on new economy principles

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West Michigan business owners this year have told the Business Journal over and over again the pace has been frenetic — just to stay even, let alone create gains. Every year at this time, the Focus section's Year in Review provides a running list of regional economic markers, business successes and concerns. Taken all together, it provides a better idea of the seeds sown and a look at what has developed along the road to 2012.

In this year, long-time agonies in the public sector have been given action — at every level of local, county and state government. It can certainly be said that Gov. Rick Snyder took no prisoners along his path of "relentless positive action," which began with the long-stalled and "politically impossible" death of the reviled Michigan Business Tax. The domino impact on the state budget revenue also was addressed at a (comparatively) rapid pace.

Snyder last week said the cutting will subside in the 2013 fiscal year, at least in the education budgets. As revenues begin to increase, there is an expectation that similar budget reductions will be made in the most affected state services.

In truth, however, these changes — still — address the legacy "cost" of old market manipulations and now beg new market acknowledgement and conveyances. It is likely, for instance, that Internet business revenues (and purchases) will eventually be taxed. In his Dec. 18 blog, Michigan Future Inc. President Lou Glazer well summarized the Michigan economic transitions not yet addressed:

"Manhattan is probably the highest cost place to do business in America. Not only high state and local taxes, but also high labor costs and, maybe most important, sky-high real estate prices. In many ways it is the poster child for big government: big police and fire departments; big park system; public support for the arts; transit, transit and more transit; one of the few cities with safety net programs over and above the state and federal safety net, and on and on and on. Add to that lots of regulation, powerful public employee unions, lots of renters; sky-high density; lots of immigrants, gays, and folks of different races, religions and ethnicity, and you have a recipe for what we are constantly told leads to economic disaster."

Glazer then notes that Manhattan is the place where knowledge-based businesses from across the planet have increasingly concentrated. "It is one of America's great centers of innovation and entrepreneurship. A place where the affluent and talent concentrate. It all adds up to one of the most successful economies in the country." Glazer also notes that the Manhattan metro area is the third most prosperous big metro in the country and the main economic engine of a four-state region.

The pettiness of politics this fall that would have legislated tolerance for certain types of school bullying is contrasted with the proposal to require the Pledge of Allegiance in all schools each day (the "liberty and justice for all" part).

Perhaps Snyder's "relentless positive action" will extend in 2012 to the leadership of educating his legislative peers on new economy principles (and ever-protected "certain inalienable rights").