

# The Seventh Generation

*“In our every deliberation, we must consider the impact of our decisions on the next seven generations.”*

*—From The Great Law of the Iroquois Confederacy*

## An Urgent Need for a New Economic Public Policy Approach in Economic Development Practice

By *Fernando Centeno*

“An economic development program does not economic development make.”

—Anonymous

OVER MANY years in the public arena, much has been said and done relating to our communities’ business prosperity, but activities undertaken to promote this have been carried out in the name of “economic” or “community” development. Though well-intentioned, this practice has, in effect, institutionalized a narrow economic public policy approach at the expense of the broader community, whose basic needs account for the alarming growth in income inequality across our country, unequalled since the Great Depression. From the perspective of local (or regional) economic policy, I find an arena dominated by pundits, press and politicians. A major failing in this regard is the fact that “urban” planners, concerned with the built environment and who dominate the planning profession, have chosen to limit their role to the interests of the private sector—primarily the commercial real estate industry—at the expense of their natural constituency, the broader public. A major realignment of public resource distribution is in order.

The time has come to say “no more,” with the hope that interested citizens, planners and community leaders will step up to redefine economic public policy such that its consequences directly benefit greater numbers of

citizens in a structural sense. This is far better than having policy serve as a large safety net, which should not be the purpose of representative government. Because large investments of public dollars are at stake on an annual basis, an engaged public *must* participate to shape transformative public policy designed for deeper and broader outcomes, as opposed to the current practice of using public funds primarily for the benefit of the private sector. In doing so, we achieve, at the very least, real transparency, accountability and a new paradigm in the way we measure public policy impacts.

Contrary to public perception, economic development in its truest sense is a *public sector* term. Done right, *public* representatives would design strategies and use tools in collaboration with the private sector to produce win-win-win outcomes, especially in critical public areas where neither sector has the capacity or incentive to accomplish the outcomes alone. Hence the “public-private partnership” model, which has proven to be the cornerstone of civic economic progress. Chamber of Commerce-style reports by our media reporting “growth” here and “development” there perpetuate the illusion of real public benefits, but instead, do a great disservice to our low-resource communities as well as to our profession as economic development practitioners.

Today, economic development planners view themselves as regional planners. Local APA chapters are now marketing themselves as regional players, chasing those industry clusters and using regionalized metrics to position themselves as major investment destinations. But at the same time, *public* planners are spending large sums of *public* funds: where is the *public’s* voice in this cost-benefit equation? Who really benefits,



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who really loses in this zero-sum game? *Who is in charge of public outcomes, when all is said and done?*

Monies used in the name of taxpayers should require that public sector representatives be the driver in these partnerships, explicitly laying out terms and conditions, with private incentives, which lead—to the extent possible—to winning scenarios. Instead, due to *weak professionalism*, we have collectively chosen to let the private sector play the lead role, assuming that rising private tides of cash raise all boats. Not so. This is *not* “economic development” practice. Considering that this behavior is long-standing, it would be fair to say that our pro-establishment *public* sector across the country seems to work for the Chambers of Commerce, *but who works for the economically marginalized and those left behind? What is there to show for the billions of dollars spent in the public’s name?* Annual budgets and staffs grow steadily. The silence to key questions is deafening.

Who decided that economic development was defined merely as attracting corporations to gain white-collar jobs, disproportionately at the expense of everyone else? For me, economic development is essentially the process of leveraging all tools and resources to stimulate and achieve greater quality-of-life and standards-of-living measures in areas of greatest need,

*as determined by the public’s interest.* Using the community’s socio-economic baseline, what strategies are in place to reduce endemic poverty rates, for example? What methods have worked and why? Are public funds being put to best effect?

Whereas our private sector has largely outsourced its workforce outside of the U.S., we now have our *public* sector outsourcing its inherent responsibilities to the *private* sector. Now state governments are doing the same thing. Structural socio-economic inequities are basically ignored while the status quo continues, generation after generation. The escape hatch is simple: let the federal government pick up the tab for those left behind.

The economic development profession is more sophisticated and complex than it otherwise appears to be, however, few are speaking out against practices which are contrary to our essential mission as practitioners.

It’s time for a new paradigm grounded upon the bedrock of our community rather than one pitched to the high cliffs of narrow prosperity. With the engagement, conviction and leadership of planners and community members, I remain hopeful that our steadfast participation will transform economic public policy across the United States for the greater good.

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