

Brookings report disparages cities' 'desperate corporate recruitment'

by Simon Shifrin

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A new Brookings Institution report derides the kind of business recruitment campaigns that have dominated the time and money of a lot of Idaho business and political leaders in recent years.

The report outlines a new job creation approach focused on boosting exports in place of the "desperate corporate recruitment bids and California cherry-picking that Western metropolitan areas too often engage in."

The critique seems squarely aimed at groups like the Boise Valley Economic Partnership, a \$5 million effort by the Boise Metro Chamber of Commerce to sway out-of-state companies to the area.

That group has fallen short of its five-year goal to attract 25 new companies and 5,000 jobs to the area and plans an overhaul this year.

Elwood Kleaver, chairman of the partnership, said the Brookings report could illuminate a new direction for the group, with a focus on supporting the rapidly growing companies that are already driving job growth in Boise.

"When a new idea comes up, it's certainly worth pursuing and seeing if something like it is applicable to what we're doing in this market," he said. "We have a lot of young companies with a lot of great technology. If there are ways we can help them do that, we should certainly be giving it consideration."

The report, called "[Export Nation](#)," touts the benefits of exporting to boost job creation and says metro areas need to be more active in helping companies find markets abroad.

It says boosting exports could be a particular boon to Intermountain West cities, already highly dependent on selling overseas, as the region's "traditional migration- and real estate-driven growth machine" breaks down.

It compared the top 100 metro areas based on "export intensity," and Boise ranked high. The metro area ranked 22nd, with \$2.81 billion in exports, or 12.9 percent of economic output. The region's 30,549 export jobs accounted for 10.8 percent of total employment.

However, the area showed no growth in exports as a share of gross metropolitan product between 2003 and 2008, and the data were measured before the shutdown of a Micron Technology Inc. plant, the bankruptcy of MPC Computers and cutbacks at other high-tech manufacturers.

Computer and electronic product manufacturing made up 41.9 percent of Boise exports, while farming and agriculture accounted for 9.1 percent.

Boise companies, though, appeared to be taking advantage of the highest-growth export opportunities, selling to emerging markets like Brazil, India and China. The area ranked 3rd, with 10.3 percent of exports to those markets and 99.6 percent growth from 2003 to 2008.

The report recommended several steps for metro areas:

- Collective marketing efforts to nurture distinctive regional brands
- Tailored assistance to exporters
- Capital vehicles tailored to different stages of development
- Work force training
- Freight prioritization

Jason Prince, chair of the Idaho District Export Council, a volunteer group that helps companies interested in exporting at no cost, said a metro-focused export campaign "makes sense."

He said many resources already exist for local companies, but he urged a rapid expansion of collaboration to keep the region ahead of other U.S. markets.

"I can state without reservation that our organization is committed to facilitating such partnerships," he said.

The recommendations were aimed at metro area leaders, though they could offer a wake-up call for state governments, too.

Idaho Gov. C.L. "Butch" Otter has made business relocation one of the state Department of Commerce's priorities, and he has launched high-profile attempts to sway out-of-state companies to Idaho. He wrote an open "love letter" to Oregon companies in March about Idaho's low and stable tax structure in the wake of a vote to raise taxes on the wealthy in that state.

The governor's spokesman, Jon Hanian, said boosting exports is one of Otter's highest priorities and believes that could transform the state's the economy, which is why he has organized a half-dozen trade missions abroad. But he said the governor would not recoil from trying to recruit companies either.

"The governor believes we need to be leveraging every advantage we have and moving on all fronts in this recession, which is why I think you've seen him be aggressive on all those areas across the spectrum, whether it's trying to lure foreign capital investment or trying to lure business in the state or trying to provide and expand incentives for the businesses that we currently have," he said.

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