

Oklahoma as growth magnet

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By John Rutledge

The Oklahoma economy needs people and capital to grow. It's time to turn on the magnet.

One hundred years ago, when my grandparents moved to Claremore in a horse- drawn wagon, Oklahoma attracted people like a powerful magnet by offering freedom to work and affordable land. They came from everywhere. The economy boomed.

Recently, Oklahoma has been losing people -- 100,000 in the 1990s, including many of the best and brightest university graduates. People are leaving to find economic opportunity elsewhere; businesses are closing their doors. It is imperative to reverse this brain drain by doing whatever it takes to attract the people and capital you need to build businesses.

In December, I spoke with Oklahoma business leaders and state officials about policies to restore growth to Oklahoma. I learned about The State Chamber's aggressive legislative agenda to make Oklahoma "the state of choice for business." I learned about right-to-work laws, the EDGE program and the MAPS project.

I also spoke with enough owners and managers of struggling companies to know that Oklahoma has a long way to go to become a destination resort for business. They report a rising burden of lawsuits, crippling workers' compensation and health insurance expenses, an unfair and inefficient tax system, limited access to capital and difficulty attracting people.

Most of these problems are homegrown. You can fix them yourselves. I have seen it work elsewhere. Here is what you need to do:

Don't reinvent the wheel. Ireland struggled with similar problems 10 years ago. Like Oklahoma, Ireland has just 3.4 million people. Like Oklahoma, Ireland is far from major financial centers. And, like Oklahoma, it has loyal people and an exceptional quality of life, but had been exporting people.

Ireland became the fastest-growing Western country during the past decade. The Irish realized that in the information age geography is irrelevant. Access to capital -- technology, machines and money -- and to the people that Peter Drucker calls knowledge workers are the keys to growth.

They made Ireland a destination resort for capital and people by reducing taxes and government spending. They decreased the burden of regulations. They improved education.

They realized that today a country's communications network is its central nervous system. Irish businesses needed high-speed communications to compete for global customers. They created a tax and regulatory environment that encouraged investment, bringing high-speed fiber to every home and business.

By doing these things, Ireland attracted massive amounts of capital from domestic and foreign investors, including Intel, Dell, Microsoft, Oracle, Apple, Gateway and EMC. The Irish economy grew 81 percent from 1995-2002. Irish per capita income is now 15 percent higher than England.

Oklahoma can do these things too.

Oklahoma is not competing for jobs. Oklahoma is competing for capital, the dollars, machines, advanced communications network, and experienced, educated people you need to start and grow businesses. If you do the things to attract capital, the jobs will come.

The competition is not just Texas and Mexico. It includes China, Korea and India. How do you compete for capital in today's global economy? Just like Ireland did, by passing business-friendly legislation and adopting a sensible regulatory climate, to turn Oklahoma into a magnet for capital and people.

Just do it. Talking about change doesn't make it happen. You have to change the rules. Make every law and regulation pass a simple litmus test: Will it bring people and capital into Oklahoma, or drive them out? This issue is not about Republicans or Democrats. It is about growth.

The State Chamber has already drawn up the road map. Now you need to press state legislators to turn these ideas into law. Oklahoma can become the next big success story. You have the right ideas. You have a population that is not afraid to work and is not afraid to learn. All you have to do is turn on the magnet -- not next year, but now.

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