

Reining in the Competition for Capital

Regions and localities all over the globe are facing increasingly stiff competition for capital to build new plants and offices and provide jobs. National and international companies are skillfully resorting to demands for large incentive packages to locate in or retain their operations in particular communities, pitting one place against others, often employing specialized consultants as intermediaries. This "market" for jobs is highly imbalanced, as the corporate participants are far more knowledgeable and have greater options than the economic development practitioners, mayors, and governors that they deal with. National governments have virtually abandoned the responsibility for economic development to state, provincial, and local governments, and are doing little to regulate this competition. The result is that many communities unnecessarily mortgage their futures, through tax forgiveness, debt burdens, and forgone spending on other public needs. They do so in order to attract jobs that may not materialize, go to local workers or remain long in the locale.

Finding a workable solution to this dilemma is the focus of "Reining in Competition for Capital," a two-day signature study conference to be held at the University of Minnesota's Humphrey Institute February 27-28. The conference will bring together researchers, development experts, and representatives of the financial community from around the world and the region to examine recent research and case studies, and help build leadership on this issue – here in the Midwest and nationally.

The cost of the conference, which includes lunch both days, is \$70. For detailed conference information and to register, please visit: <http://www.hhh.umn.edu/projects/prie/index.htm>

Organized by the Project on Regional and Industrial Economics, Professor Ann Markusen, Director.