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# ***INTERNATIONAL JOURNAL OF ECONOMIC DEVELOPMENT THE CHANGING ROLE OF GOVERNMENT IN ECONOMIC DEVELOPMENT***

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Many public officials consider economic development and growth essential to the future of their cities and states. They measure the economic and social well being of their communities in terms of increases in population, jobs, companies, etc. (Peterson, 1981; Calavita, 1995). Through public policy efforts government forged partnerships with other beneficiaries of economic development, especially private business. Community leaders then encouraged business expansion and other components of urban and economic development (Morgan and England, 1996: p. 369; Judd and Swanstrom, 1994: p. 339), often resulting in local variations of an “urban growth machine” (Logan and Molotch, 1987). Historically, then, government assumed a primary role in attempts to foster economic development and business growth through policy initiatives and partnerships with the private sector.

Many scholars, however, have noted the changing nature of the involvement of government in the formulation and implementation of economic development. For many years this policy consisted of simply attracting industrial and manufacturing entities to a community by improving the local infrastructure and reducing the supply costs to a firm with a goal of expanding the area’s primary employment base (Moriarty, 1980). Today, most would agree that economic development is comprised of a collection of intricate strategies with a complex set of goals including the expansion of entrepreneurial opportunities, assisting with product development and marketing, and undertaking a variety of other “demand side” policy efforts to foster the growth of new and existing firms and extend the range and scope of employment opportunities (Eisinger, 1988). Factors like an increasingly technical economy, a growing global market place, and the

devolution of many domestic policies to the states have influenced the approach to economic development.

In spite of the growing sophistication of economic development, one characteristic remains constant: the goal of economic development is to create and foster the growth and well being of the private sector through the efforts of public policy initiatives and programs. In other words, government and the public sector remains deeply involved in this policy area that primarily benefit the private sector. Government and business continue to partner in the formulation and implementation of economic development policy. However, like the policy itself, the nature of the public-private partnership in economic development has changed.

Often viewed as a policy that benefits all members of a community (Peterson, 1981), local economic development policy has not been without its critics. For example, research shows the social and economic costs of uncontrolled or rapid urbanization and urban economic development (Black & Curtis, 1993; Porter, 1997; Burchell, 1997; Katz & Bradley, 1999), yet promoting economic growth remains synonymous with most American communities in the 21<sup>st</sup> Century (Fodor, 1999: p.11; Judd & Swanstrom, 1994: p.24). And while the globalization and restructuring of the economy continues to alter the role of local government in economic development, cities still focus on expansion; emphasizing strategies to “facilitate the climate for growth,” rather than subsidizing individual firms like they did for the urban growth machine (Clark & Gaile, 1998: p. 8).

This symposium strives to describe the changes taking place in government’s role in the formulation and implementation of economic development. Hopefully, explanations for these changes and implications to public policy and public administration will begin to emerge. The following collection of articles addresses a number of issues relating to the changing role of government in economic development policy. For example, one of the symposium editors offers a piece that offers an explanation for the rise in New Public Management tools and strategies: the intergovernmental aspect of economic development implementation. Another article addresses collaboration issues between state government and the nonprofit sector and its impact on economic development implementation, focusing on the facilitation of international trade in western Michigan. The author describes the complex nature of these public-nonprofit partnerships, the resulting collaborative delivery networks, and the implication to public administration.

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