

More discipline needed in Albany

Colin Read: Everybody's Business

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— New York residents have been fooled again by the sleight of hand of the Kabuki puppeteers in Albany. We started by supporting a new governor who promised bureaucratic reform, and are left with a new record in spending and a dramatic increase in taxes, for the rich and for students, for homeowners and for wine lovers, and for just about everyone in between. And not a reform to be seen.

Benjamin Franklin knew nothing is as sure as death and taxes. But while no one likes to pay taxes, we all hope our tax dollars are being well spent.

The problem is that our leaders focus on taxation for taxation's sake and spending for spending's sake, without ever sitting down and asking if there is a better way. I am neither for nor against raising spending or taxes. However, I am against spending and taxes that are arbitrary and designed to avoid fiscal accountability.

Our elected officials, or perhaps more accurately, the leader elected by the majority in Albany, "solved" the current crisis by increasing the budget to \$132 billion and by raising taxes and fees by about \$8 billion. His level of creativity in finding new tax and spending opportunities is masterful. Yet, he could not muster the same creativity in finding ways to make government more efficient at the same time.

This is a state that has created a science of expanding the public sector when the coffers are flush and an art of preserving jobs in times of hardship. So many of us, me included, earn a living working for the state. Our representatives, in the legislature, unions or special interests, pride themselves when they preserve or expand our numbers.

No one is asking the question though. Do all these jobs create equal value and are they all equally worthy of preserving? Is it possible there are some jobs not yet created that would provide more value to taxpayers than current jobs perennially preserved?

Times like these require us to look at each job and reevaluate its value. We should creatively reinvent the public sector, just as we demand creative reinvention of the automobile industry. Instead, we became defensive and special-interest oriented. And within that environment, an individual or two holed up in a secret room in Albany can decide the fate for us all.

The cunning Albany strategy is to make each one of us a member of a special interest, and then appease all special interests under the theory that, if we all live in glass houses, none of us can throw any stones. It reminds me of the D.C. and Albany earmark game. Every politician is willing to support a corrupted system of pork-barrel politics so long as each gets their pull of pork. Now that almost all of us are part of one lobby or another, we all accept whatever is ultimately churned out of the political sausage maker, so long as we get our bite.

We find ourselves duped so masterfully that we gloat and thank our super dupers for "saving" our job or our

pet project. In the process, we can avoid the hard questions regarding our workplace productivity. We have become part of the problem. And we are left with no one else to blame.

What could we have done?

We should rank all programs, who they benefit and by how much, who they cost and by how much, how effective they are, and whether some other entity would pick up the slack if they stopped. While I realize it is difficult to quantify the value of some projects or enterprises, the mere exercise of trying to value what we do would surely be enlightening.

Of course, the private sector regularly does such a calculation. If a business fails to provide sufficient value, no one buys its product. While the public sector does not have the same sort of disciplinary focus, we should not use the lack of a market as a justification to ignore accountability and the value proposition.

We should also compare who benefits today compared with the benefits and costs left for tomorrow. I have a bias toward investing in the future over mere consumption of government services today. Such investment provides future workers with the capacity to pay for the deficit we leave for them.

We should expect our leaders, in government and agencies, departments and schools, the classroom and the beat, to make workplace decisions as if they directly paid the cost of their managerial decisions. For example, when I ran a business school, did I make the same decisions, in staffing and in supplies, in class size and in curriculum, as if it was a private school and I had a financial stake in its success? I suspect I would have done things differently had I the flexibility, autonomy and accountability of a private educational services provider.

I am arguing for good government, not minimalist government. We need a government with compassion. A measure of our social worth is how we treat those least fortunate. Yet, have we become so accustomed to the kindness of others that we have come to expect it? If someone did an amazingly generous act of kindness for me, I would hope I would be most grateful. If almost 20 million citizens of New York band together to deliver to me a wonderful and generous service, should I be any less grateful?

Instead, we have come to expect social largess as an entitlement, sometimes to the point of abuse and gracelessness. We do not need to rationalize to ourselves why our special interest is deserving of special treatment. Instead we should acknowledge the cost imposed on all New Yorkers who subsidize our special interests, perhaps because these interests benefits them too, or perhaps because we all see value in assisting each other. Either way, though, no one is entitled to any benefit that flows from the largess or the lobbying of Albany. We are entitled only to the product of the sweat from our brow, and should appreciate any support offered us to become more productive.

The market is notoriously efficient, and at times ruthless, in its allocation of scarce resources. State government is different in that they decide what they will produce and they compel us to pay for it. Perhaps the rule for optimal government is the same allocation lesson we learned when we were children. When it comes time for one to cut the pie, we should leave it to another to pick the first piece. Governments are complacent in careless allocation, having their pie and eating it too. The rest of us are left to envy — and pay for their feast.

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