

Sturgulewski supports economic office

by Sen. Arliss Sturgulewski
for the *Tundra Times*

Throughout Alaska there is agreement that the state needs to devote more resources toward encouraging the private sector. As I travel around Alaska, I hear this view espoused over and over, both by people in the private sector and in the legislative and executive branches of government.

Reality, however, is quite different. State funding for small business assistance and economic development is declining. We are not heeding the lessons in that old story about the business that fell on hard times. You know the one. The business has been losing sales and the decision is made to cut the advertising budget to save money. Sure enough, the business then goes bankrupt. They stopped telling the public about their product and were promptly forgotten.

In the last three years, the Office of Economic Enterprise in the Department of Commerce and Economic Development has had its budget cut in half. It has lost its entire economic research section, comprised of economists and business analysts who produce the important statistics upon which large and small businesses and government depend.

Business development specialists whose main job was to advocate for business have been laid off at a time when private business is most in need of help. Travel funds have been cut so severely that the business development specialists who remain can't leave the office to work in the field.

Department of Revenue statistics reveal that the total number of Alaska business licenses issued between 1985 and 1986 has declined by nearly 10 percent from 44,598 to 43,703. Bankruptcies have been on the increase.

The latest information available, prepared by Scott Hawkins for the *Alaska Business Monthly* magazine shows a 9 percent increase in business bankruptcies in the past year. In 1987 so far, the monthly rate of business bankruptcies has been more than 30. Even worse, and surely related, are the non-business bankruptcies which are running at nearly 80 per month.

These statistics are, of course, only the dull impersonal numbers. What is not revealed is the real human tragedy associated with business failure and the personal trauma that many Alaskans are suffering.

My experience in the past year has been that the private sector wants help. Urban areas are feeling the decline in state dollars and are looking for expansion of the private sector to stimulate economic growth. Anchorage, Fairbanks, Juneau, the Kenai Peninsula and the Mat-su area, among others, have established public/private partnerships to help promote economic development and expansion of the private sector.

Rural areas are searching for ways to promote business development to build a stronger economic base also, but lack the resources of the more populated urban areas. I have talked with dozens of individuals from Alaska's smaller communities who want to establish some type of business venture but need help getting started.

These business people don't need money from the state. They need information about regulations and about basic business management. They are entrepreneurs. They can do the job with a little information and support. Providing a helping hand to Alaskan small business makes more sense than simply giving away money and trying to force economic development. We



have tried that.

Opportunity exists now in Alaska for the private sector. The fishing industry is healthy and expanding, tourism is growing, mining projects such as Red Dog and Greens Creek have gotten the go-ahead, timber and

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oil are rebounding. All of these business developments will need support services that can be provided by small business. The state can assist in identifying these opportunities and encouraging the private sector to take advantage of them.

It doesn't make sense to lay off the people who advocate for business. We need to get these trained business professionals into the field where they can do some good. We should be making a concerted effort on the state level to assist Alaskan entrepreneurs. In the end, it will be the private sector that

will sustain Alaska into the future.

The private sector also must do its part. Individuals and organizations must make their needs known. A strong voice from the private sector must be heard in Juneau to stop the erosion of the only state agency that advocates for business. It is a political fact of life that those who are silent soon find their budget cut.

Sen. Arliss Sturgulewski is chairman of the Special Committee for Regional and Local Economic Development.