

Southeast symposium targets economy

by Eric R. Davenport
and Peter McDowell

for the Tundra Times

JUNEAU — The Southeast Alaska family recently held the 1987 Symposium on its economic future. The symposium was characterized as "a gathering of the clan," and that it was in every respect.

The clan, represented by more than 200 leaders of the Southeastern Alaska political economy, gathered to thoroughly assess our economic past, present and future.

The symposium was designed by its Steering Committee to be an important effort to uplift the knowledge of Southeast Alaskans about economic development and our political economy. It brought together men and women who will lead our region to new and sustaining prosperity.

"The economic promise of Southeast Alaska is in its people," said Byron I. Mallott, chief executive officer of Sealaska Corp., a keynote speaker at the symposium.

This premise was stressed repeatedly throughout the event. Alaskans are well educated, resourceful, independent and committed to making this state realize its potential.

As an "economic family," according to the symposium co-chairman, Juneau Mayor Ernie Polley, Southeast Alaska maintains a richness of individuals and the dynamic strength of a group.

We are surrounded by natural

resources, but it is our human resources that will convert these to economic opportunities consistent with environmental, cultural and financial values important to us all.

This two-day event could point the way to an economic future focusing on long-range goals, as well as short-term gains. It was based on a vision of the future of Southeast Alaska's economic growth.

The vision is solidly grounded in "fundamentalist economics," which means that economic activity in a specific geographic place will be limited to subsistence unless exports to nations, regions and states outside its boundaries are produced, and that a service economy cannot exist in the absence of an export economy.

Since long before contact with the Russians, Southeast Alaska has been an exporter — usually of very high grades of natural resources, including furs, gold, other minerals, salmon, other fish and forest products.

Southeast Alaska also exports geopolitical location to the U.S. military, public domain to federal civilian agencies and scenic and recreational resource values to tourists.

Manufactured exports include fish products, pulp, cants and heavy timbers, principally from Ketchikan, Petersburg, Prince of Wales Island, Sitka and Wrangell.

Critical factors in Southeast Alaska's economic future were discussed, including transfer from a

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public sector to a private sector led economy, reduction in regulatory obstacles, decreases in regional cash outflow and increases in outside investment, greater clarity of public policies and improved relations between government and commercial interests. How these will happen is dependent on the people of the region.

Transfer from a public to a private sector economy is important because of the unpredictability of government funding levels and lower dollar circulation potentials.

A very direct way for this transfer to occur is privatization — private sector performance of public sector functions, for instance, private ownership and operation of the Alaska Marine Highway System, including dock facilities.

Employee stock ownership plans using the financing vehicle of a leveraged buy-out could enable the current employees of the ferry system to form a corporation for owning and operating it.

Privatization can result in reduced fixed operating costs, increased employee control, more competitive rates, decreased use restrictions and state re-investment of capital in other regional ventures.

Other examples of privatization include municipal building code plan review services, alcohol treatment programs, road maintenance, boat harbor operation and housing program management.

It was clear that Southeast Alaska

businesses want and need a state economic strategy that helps create and maintain an "open and level playing field" for private businesses to operate on.

Such a strategy should emphasize the conduct of government affairs in a cooperative and responsive manner, ranging from making land and other basic natural resources available for economic development initiatives to the establishment of regulatory regimes for development that are economically oriented.

The symposium was a demonstration that truly significant economic leadership can come from the Alaskan private sector, especially from those already active in the Alaskan economy, in partnership with political leaders.

It was an important vehicle for the exercise of leadership, and we hope that key individuals and institutions in business, the media, government and universities will establish additional partnerships within and among their institutions.

The 1987 Symposium on the Economic Future of Southeast Alaska was the beginning of one of the most exciting chapters in our history. It will be our family of Southeast Alaskans that write the text.

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