



Bluegrass Beacon BY JIM WATERS

Trips to Far East don't keep economy from heading south

By Jim Waters

The more than \$450,000 raised thus far by Gov. Steve Beshear for re-election won't break any records, but it gives him a head start and makes him tougher to beat. Barring a run by a former University of Kentucky basketball star, Beshear appears to have a leg up on keeping his job.

But what about Kentuckians who have lost theirs? How does Beshear's re-election – or that of any other Kentucky politician – help them?

Kentucky's current economic picture looks more out of focus than a TV without a high-def converter box. The unemployment rate has nearly doubled since the governor took office, and the U.S. Bureau of Labor Statistics reports that more than [11 percent](#) of the commonwealth's workforce cannot find employment. That sets a record for the past quarter-century.

State political leaders conveniently wash their hands of the problem by blaming the national recession. But if Frankfort's political leaders don't have a plan to help Kentuckians when it matters, why should they keep *their* jobs?

In his first campaign, Beshear put on a full-court press to expand gambling in Kentucky. But gambling is a divisive issue, morally questionable practice and – most of all – a sorry excuse for the lack of an effective economic-development strategy.

In fact, the governor's addiction to gambling as the state's economic salvation and legislators' eagerness to raise taxes – as they did earlier this year – could slow an economic recovery. A more comprehensive plan than gambling and raising taxes is needed to create new jobs and lure companies to Kentucky.

Expanding gambling *might* grow government's coffers, but creating bartender jobs at the Casino Royale won't restart a stalled economic engine.

As I write this column, the governor, First Lady Jane Beshear and Larry Hayes, Economic Development secretary, were in the midst of an economic development jaunt to Japan and China. Not to be outdone, Beshear's political soul mate in Frankfort, House Speaker Greg Stumbo, D-Prestonsburg, announced his own trip to China with a primary emphasis on boosting Kentucky's coal industry.

Beshear – recognizing the need to “justify” such trips while 230,000 Kentuckians stand in unemployment lines – touted the arrival of a small Japanese business that brought 100 jobs to Lebanon following his trip to Japan in 2008.

Stumbo – recognizing the insanity reflected by \$200,000 of taxpayer money spent by lawmakers and their traveling entourage for a legislative conference in [Philadelphia](#) – made it clear that his China syndrome won't melt down taxpayer wallets.

These trips offer a political assist for Beshear and Stumbo. Media coverage suggests they are taking some kind of bold action concerning Kentucky's economy – without having to deal with the really thorny issues here at home. It's great, albeit superficial, politics.

But it takes a lot more than occasional trips by media savvy politicians to attract first-rate jobs. Fiscal policies are required that don't make moving to – or staying in – Kentucky a bad bet, and growth strategies that attract new companies and make it possible for them to succeed in the commonwealth.

The problem: When their return flights touch down, Kentucky will remain with a debt-ridden balance sheet and without school choice or tax reform. Kentucky and West Virginia will remain the only two Southern states denied a [right-to-work law](#), causing gaps in growth of real personal income compared to states unwilling to force workers to join unions as a condition for employment.

When their planes touch down, the political campaign coffers no doubt will continue to increase – right along with the angst of Kentuckians about their economic future.

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