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Corporate Poker

It must be a course taught at the Harvard Business School.

A big company, located in one place for years, suddenly announces that it will move its headquarters or manufacturing plant -- and jobs -- to another state to take advantage of millions of dollars in tax cuts and incentives paid for by taxpayers there.

Of course, if the old city or state wants to come up with millions in incentives, it just might decide to stay put.

It's corporate extortion, plain and simple, but it's been going on for years with governors and state economic development offices as willing accomplices.

We also have enough cynicism to know that nothing's going to stop it, as long as interstate corporate poaching is encouraged by loose tax laws, political gamesmanship and corporate cupidity.

But at the very least, states that provide big bucks to attract or retain businesses should know what they get for their investment.

While announcements of corporate deals often come with job figures attached, a new study by Good Jobs First, a research organization that tracks corporate subsidies, found that many states don't have tough standards to see that those jobs actually are created.

Additionally, the study found that relatively few state programs impose requirements on the wages and benefits -- or even training -- provided by these subsidized employers.

Good Jobs Now said that across the nation some $7 billion in taxpayer money is spent every year on corporate incentives and tax breaks that have no job-creation requirements at all.

In the end what you often get is a publicly financed rearrangement of the pieces on the economic chess board.

Good Jobs Now makes three common-sense recommendations:

- All state subsidies should include job creation, job retention or training requirements. Employers should be barred from shifting existing jobs from other facilities. Jobs must be kept in place for a minimum period.
- Wage standards should apply to all positions in a subsidized facility and be tied to labor market averages with the goal of eventually raising pay above market levels. Health care coverage should be provided, the cost split between employers and workers.
- If the cost of an incentive program outweighs its results it should be eliminated.

These are good ideas, but unless they're adopted nationwide, corporate movers will still be able to play states off each other looking for the deal that gives them the most, with the least demands.