



State needs more diverse economy

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On a recent swing through Tuscaloosa, Republican gubernatorial candidate Kay Ivey said that if elected, her industrial development efforts would focus on diversifying Alabama's economy. Specifically, she wouldn't be looking for more major automotive manufacturers, although she added that she wouldn't turn any away.

Whatever the merits of her candidacy may be, she has a point when it comes to diversification. When Tuscaloosa landed Mercedes in 1993, it triggered a series of automotive recruitment successes that have helped make the state an important player in the automotive industry. In addition to Mercedes, Honda and Hyundai have assembly plants here and a bevy of suppliers have located in Alabama to serve them.

For 15 years, Alabama and Tuscaloosa County, in particular, reaped the benefits of strong automotive sales fueled by a healthy economy. But as recession struck last year, Alabama residents began to realize that prosperity based on automotive manufacturers is not limitless.

Tuscaloosa has proved to be more recession-resistant than most places. Having a university in town that has blossomed to 28,800 students plus a junior college and a private college, certainly helps. Being a regional health-care hub is also a bonus

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But automotive industry manufacturers like Mercedes, BFGoodrich, ZF Industries and other secondary suppliers are a large component of Tuscaloosa's economy. So large, in fact, that bumps in the auto industry's road are felt almost immediately in the back pockets of this county's residents.

It's not hard to see what overdependency on a single sector of the economy can do. Vacant auto assembly plants in Michigan and empty textile plants in west Georgia and East Alabama bear witness to what happens to communities that rely too heavily on one industry.

No matter how bad the economy gets, Tuscaloosa and Alabama are better off for having attracted Mercedes, Honda and Hyundai

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That is why it is important to make diversification a cornerstone of future economic development. It will be important to attract industry and business from a broad spectrum of the economy.

That is certainly much easier said than done. But getting it done means making diversification a priority and planning accordingly. And let no one say that it can't be done. The skill, determination and savvy that brought Mercedes to this community are still here and can be focused on virtually any target.

Efforts to strengthen the state and local economy didn't end with Mercedes. It was a good beginning on which much can be built.