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No Surprise, When Jobs Go Packing

What Connecticut Can Learn From Pfizer's Decision

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February 4, 2011

The goal for Connecticut — land of zero job creation since 1990, according to a new report advertisement — is that we should never be taken by surprise again when a leading employer dumps us for someone else.

Gov. Dannel P. Malloy says he heard about Pfizer's plan to whack 1,100 Connecticut workers and move hundreds of jobs to Cambridge, Mass., only the evening before the announcement.

"Everybody in the previous administration knew that Pfizer was doing this review," Malloy said the morning that the Pfizer news broke. "It's clear this decision was made over a long period of time and a while ago."

All of this raises the usual questions for a state that's felt jilted in recent years by the businesses and young residents who depart for opportunity elsewhere.

Where were our state agencies in charge of economic development? Was anyone in state government making a case that New Haven and Yale might have been a possible location for the 350 neuroscience and cardiovascular research jobs, instead of Cambridge?

With a month on the job, Malloy doesn't deserve blame here. The reasons behind Pfizer's job cuts have to do with rapidly changing forces in the pharmaceutical business that Connecticut can't control.

But there's an important lesson — Pfizer isn't moving jobs out of here because of the cost of living, taxes or government regulation. It is moving the research jobs for the same reason that young people leave — there isn't enough going on around here.

"You have to have a chief economic developer, and that's the governor," Tony Sheridan, president of the Chamber of Commerce of Eastern Connecticut told me. And then he said you have to invest in research to bring together universities and private industry to create the sort of cluster that attracted Pfizer to Massachusetts.

It's distressing to see that Malloy has yet to appoint an economic development commissioner — or announce a consolidation of the state's confusing network of economic development agencies. But it is a hopeful sign that the new governor is aggressively reaching out to business leaders and that he sees the role that the University of Connecticut must play in fostering research and job creation.

"You have to constantly be in touch with people, directly. This administration will be in direct touch. As soon as they perceive a problem, they will know who to call," Malloy aide Roy Occhiogrosso promised

me. "One thing he is squarely focused on is sending a signal to the business community that he is serious about getting its fiscal house in order."

I'm sure Malloy, whose home city of Stamford benefited handsomely from state and private investment, understands this will take more than a signal. A recent report by the forecasting firm IHS Global Insight predicted that Connecticut's employment will increase only marginally between now and 2016. Under this scenario, Connecticut, with almost no job growth in the past 20 years, will have the lowest job growth rate in the country in coming years.

Pfizer, meanwhile, chose the Boston area for its dense concentration of hospitals, universities, researchers and business start-ups.

"Some things actually do better if there is a concentration and critical mass," said Matthew Nemerson, president of the Connecticut Technology Council. "There are a few places where this 'super agglomeration' is happening. Cambridge is one of those places."

Nemerson said that Connecticut must recognize how it can compete with this — an expanded UConn research hospital, and the growing partnership among New Haven, Yale and private research companies, are two important examples.

We're certainly not Boston or Harvard and Cambridge. But New Haven and Yale are dramatically showing us that Connecticut can again be competitive, if we are willing to invest in new research and partnerships between business and our universities.

"We've got a clear niche where we are competitive," New Haven Mayor John DeStefano told me when I stopped by city hall Thursday. New Haven's grand list growth this year came in large part from the bio-sciences and life sciences research that has expanded there.

The grand list of taxable property grew by nearly 3 percent over last year, larger than any other municipality in the state.

"Our growth demonstrates that New Haven is a desired place for business and development," DeStefano said.

That's more than the state of Connecticut can say.

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