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## A Democratic governor reaches out to business

Mark Pazniokas

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At every opportunity since his inaugural, Gov. Dannel P. Malloy has reassured business that it has nothing to fear and much to welcome from the first Democratic governor in a generation, even one who owes a paper-thin victory to organized labor.

Malloy, 55, who comes to the office after 14 years as the mayor of Stamford, has nominated commissioners with a bent toward economic development, proposed consolidations of agencies and demanded sustainable wages and benefits for state employees.

But all that is prelude to Wednesday, when Malloy proposes his budget, the first concrete expression of the governor's promises to show a new way to govern a state burdened by one of the biggest deficits and worst job-creation records in the nation.

"The rubber hits the road when we get his budget message," said Joseph J. McGee, the vice president of public policy at the Business Council of Fairfield County. "Up to this point, his message has been positive."

Will Malloy increase the cost of doing business by eliminating sales-tax exemptions on many business-to-business transactions? Will he maintain research-and-



**A friendly reception from Oz Griebel at the MetroHartford Alliance.**

development tax credits? Can he raise income taxes without losing the state's competitive edge on New York and New Jersey?

"Obviously, everybody is concerned about what we're going to see on the revenue side," said Joseph F. Brennan, the senior vice president of public policy at the Connecticut Business and Industry Association.

Oz Griebel, the president of the capitol region's major business association, the MetroHartford Alliance, said he is looking for budget plan that translates into action the governor's encouraging rhetoric about delivering fiscal stability and laying a foundation for economic growth.

"I haven't talked to anybody up to this point on the business side or the social side who says, 'Gee, the guy is off to a bad start,' " said Griebel, who wanted the job himself, running third in the Republican primary.

Brennan said he has been consistently surprised and pleased with Malloy's appointments, beginning with his chief of staff, Timothy Bannon, who has seen state government as a corporate lawyer and a political insider.

"He continually has come up with interesting choices," Brennan said.

On Thursday, Malloy nominated Daniel C. Esty, a nationally known environmentalist and promoter of green jobs, as his energy adviser and commissioner of environmental protection. His insurance commissioner, Thomas Leonardi, is a venture capitalist with a mission of helping home-state insurers grow. And he named a union official and former management labor negotiator, Glenn Marshall and Dennis Murphy, to run the Department of Labor as a team.

"They are more than gestures," said Roy Occhiogrosso, a senior adviser to Malloy. "Too often in the public policy debates of the past 20 years, you are offered what amounts to a false choice: you are either pro-business or pro-labor. Why can't you be both?"

With a job-creation record since 1989 that is only marginally better than Michigan--home to a shrinking auto industry that, until recently, seemed likely to disappear--Malloy says Connecticut's fiscal ills clearly are linked to its business climate.

"One thing that the governor heard over and over again on the campaign trail, and felt and knew to be the case as mayor, there just wasn't the partnership between the state and private sector that there needs to be," Occhiogrosso said.

Malloy has addressed the MetroHartford Alliance and CBIA since his election and already has

visited major employers, including United Technologies and Electric Boat.

"We have to have an ongoing dialogue," Malloy told reporters after a well-received speech in December to the MetroHartford Alliance. "I want them to know the message."

State employee unions have been circumspect about the governor's appeal to business and his promises to shrink government, but the leader of one liberal group, the Connecticut Citizen Action Group, said an economic focus is understandable.

"I actually think it is fine the governor is talking to these folks and emphasizing job creation," said Tom Swan, the executive director of CCAG. "I think it is a good thing."

Swan said he hopes Malloy can bring greater accountability to the state's economic development efforts, including the mix of tax credits and subsidies offered to some corporations.

"I think it's time for Connecticut taxpayers to look at the tens of millions of dollars that we've spend to subsidize various companies and look at whether or not we've got an appropriate rate of return," Swan said.

Swan said he is encouraged that Malloy seems more inclined than previous administrations to use smart-growth policies and public transportation, such as better rail service linking Hartford to New Haven, Fairfield County and New York, as tools of economic development.

McGee, whose business group is based in the city Malloy governed as mayor, called Malloy a pragmatist who might be hard for the political establishment in Hartford to easily categorize.

"That's why we liked him down here. You couldn't put him in a box. He wasn't a labor guy. He wasn't a business guy. He just tended to do the things that needed to be done," McGee said.

McGee said that Malloy's first weeks as governor remind him of his style as mayor of Stamford, where he also recruited new people to government and reorganized city hall.

"The thing about Malloy, he likes the management of government. He likes it. He gets it," said McGee, who was a volunteer on Malloy's transition team. "This is a skill set we haven't had in a while."

Matt Nemerson, the president and chief executive officer of the Connecticut Technology Council, said, "I think it's fascinating that at this time we have a mayor leading the state. It's so rare, but it makes so much sense, given that their skill set and M.O. are geared to getting things done."

Of course, how much Malloy gets done will be the ultimate yard stick on which he is judged. Delivering his budget is only the beginning; getting it passed when it is bound to have something hated by everyone will require different skills.

"That will test his political skills. It's one thing to propose, it's another to make it happen," McGee said. "Now, the real work begins. Show time opens on the 16th."

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