



LETHBRIDGE
CHAMBER of COMMERCE®

Government Competing with Private Enterprise

Issue

If private enterprise is fulfilling a market need for goods and/or services, local municipal government should not be competing with private enterprise unless there are good policy reasons to allow or encourage that competition.

Background

From time-to-time, incidences of competition between the City of Lethbridge and private industry arise. Some of these issues previously came into being when a service was needed, but not available to our citizens; however, where such services have been provided by municipal government, these government services have often remained in place as industry has grown. Some examples of this are road construction and maintenance, land disposition, landscaping, and waste management. The Lethbridge Chamber of Commerce has identified competition between municipal government and private enterprise as a significant issue affecting the economic environment of Lethbridge.

The Lethbridge Chamber of Commerce recommends the City of Lethbridge:

1. Avoid providing a service that could otherwise be provided by private enterprise, unless the following conditions are met:
 - a. A market need is not being met by any viable private enterprise (e.g., small business services only a small portion of a need) or municipal government is the only entity which can reasonably be expected to provide the necessary service at a reasonable cost to taxpayers;
 - b. Private enterprise service of an identified need is overly costly; or
 - c. Regulatory requirements dictate involvement of government to provide some or all of a necessary service.

2. There may be other policy reasons which would support the prospect of having government involved in providing a service. Where those reasons can be identified and municipal government: Identifies the policy reasons, provides a convincing rationale that those policy reasons cannot be effectively met by private enterprise, and commits to competing on as limited a basis as possible in order to allow the growth of private enterprise to help address the need - then, and in that case, the Lethbridge Chamber of Commerce would support limited municipal government competition with private enterprise.