

Creating the right kind of jobs

Colin Read: Everybody's Business

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— Yes, the unemployment rate has dropped somewhat. Jobs are still being lost, yet discouraged workers are falling out of the labor force even more rapidly. Because these discouraged workers are no longer considered unemployed, the unemployment rate actually fell from 10 percent to 9.7 percent.

Markets still rise and fall in fits and starts, financial reform is as stalled as ever, and New York remains on the verge of political breakdown. Where does that leave us?

One bright star is that we are finally talking about jobs. President Obama is finally focusing his efforts on job creation, and Representative Owens has authored a bill to create jobs in the North Country.

I hope their efforts work. Our failure to come up with health-care reform, even with universal recognition of the problems we all see, makes me wonder.

I have remained quite concerned for some time now about our anemic efforts to create jobs in this global financial meltdown. And, it has occurred to me that we may be chasing the wrong goal. Is it really jobs we want, or is it a new era of innovation and opportunity that will drive the economy forward and create jobs for the 21st century?

You see, how we ask the question or frame the situation makes all the difference.

For instance, President Obama could have created a lot of jobs the day after the stimulus package was produced. Almost a year later, most of that fund remains unspent, and few jobs have been created.

Sure, we preserved some jobs, for a while, many of which will soon be lost. By giving the first round of stimulus spending to individual states, every state in the nation was given a license to spend freely amidst their failing politics. New York State was given a reprieve on reform. Consequently, its taxpayers were locked into another few years of high taxes and little accountability.

If only we realized we should be creating goods and services, and not simply chasing jobs, we would not have remain mired in the Great Recession.

I am sure I have already gored many oxen by suggesting that not all state jobs are necessary. Would it make a difference if I insisted that there are also many state jobs that are necessary, but do not yet exist?

It would be surprising, indeed, if any state had the ideal mix and number of jobs at any one time. If we considered New York in this scenario, it seems that the odds would be even more remote.

No, jobs in state government evolve at the confluence of politics, special interests and perhaps, once in a while, the needs of taxpayers.

And just like matter, once they are created, it seems difficult to destroy them. If we want temporary jobs to fill a temporary recessionary gap in employment, state jobs are not where we ought to look.

There are jobs that do fit the bill, though.

When we are at the peak of the business cycle, we should use the excess tax revenue and reduced government spending to save for a rainy day. And when the economy inevitably sours, we should be using this rainy day fund to fill that employment gap with temporary jobs that create the infrastructure for better days.

These infrastructure jobs can shore up our interstate highway system, improve our rail network, modernize our air-traffic system, and ultimately enhance productivity for the future. The beauty in these jobs is that they are term based in that they will naturally go away when successful completion of the project at hand.

As a bonus, these jobs do not compete to choke off the supply of workers elsewhere. Private industry invests in infrastructure construction in good times. Public projects in recessions can help smooth out the business cycle without crowding out private investment.

Our leaders should be identifying and planning for projects in good times and be prepared to move forward when private production falters. And they should be prepared to move quickly when tough times come.

Had we done the economically prudent rather than politically preferred, I believe we would not still be hovering around 10 percent unemployment 27 months after the beginning of the worst recession in most all of our lifetimes.

However, not all jobs are created equal. We do not need nicer schools if our current schools are adequate. We do not need better government buildings, even if our government employees, myself included, might like that. These things are nice, but they are not the infrastructure investments that will make a difference in our global competitiveness.

If we had exercised economic prudence, we would have figured out a way to move more commerce more quickly between Canada and the United States. We would have fast train service from Montreal to New York. Better yet, we would have our airports well connected to mass transit so airports would not need to shelter more cars than planes.

We would have a national Internet system that would allow people to be more productive in their jobs, even if employers were in different cities than employees.

We would have a state-of-the art electric grid to move direct current around the nation at much lower losses, greater capacities, higher reliability and safety, and lower costs. And we would have the electric grid optimized for wind power, hydroelectric power and solar power. And if energy companies would buy energy from homeowners at the same rate as they sell energy to us, we could truly modernize our national grid.

If we could pursue each of these areas, of efficient border crossings and high-speed rail, modernized Internet and efficient airports, and energy for the 21st century, our nation would vault from a laggard to a leader in its economic infrastructure. And jobs would be created to boot. The time and opportunity to create the avenues to make these projects a reality is now. That is the message we should be sending to our local and national leaders.

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