



**October 10, 2009**

**Op-Ed Columnist**

## **Igniting the Growth of Jobs**

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Think of this recession as a monstrous hurricane that swept through the job market and is still wreaking havoc.

The latest unemployment rate for California is a knee-buckling 12.2 percent, the highest since World War II.

The job market nationwide is the worst it has been in 70 years, noted Robert Reich, the former labor secretary, during one of several conversations that I had with him over the past week. He dismissed the upbeat talk of “green shoots” sprouting in the devastated economic landscape and the dreamy notion that recovery is no longer just around the corner, it’s here.

The economy may have recovered technically, he said, “but this is not a real recovery.”

The Obama administration’s stimulus package has mitigated the damage, but it was not big enough or targeted enough toward job creation to halt the continued hemorrhaging in employment. (Incredibly, some 40,000 teachers have lost their jobs over the past year, according to the Center for Economic and Policy Research.)

Without jobs, you don’t have a genuine recovery. And with consumers tapped out and business investment hamstrung, it’s up to the government to develop creative approaches and make the investments necessary to start putting people back to work in large numbers.

There are plenty of serious proposals available that are both doable and affordable.

Mr. Reich, who teaches at the University of California, Berkeley, is among those who favor a tax credit for small businesses that create jobs. This is tricky. Policy makers have to make sure that the credit is given only for net new hires, as companies will attempt to get a tax break for hires they would have made anyway.

“Under normal circumstances,” said Mr. Reich, “I would never recommend this. It’s a very blunt instrument. But these are not normal circumstances.”

A virtue of the tax credit, which reportedly is being considered by the administration, is that it could get significant Republican support.

Another promising approach is substantially increased federal aid to state and local governments, above and beyond what is already occurring. Local governments from one coast to the other are facing budget meltdowns and are slashing services and personnel.

“When states cut programs or raise taxes, that slows the economy down,” said Lawrence Mishel, president of the Economic Policy Institute in Washington. “You can prevent that if you give them aid, and that means state employees, and employees of local governments that depend on state assistance, don’t get laid off.”

That’s the beginning of an important ripple effect that spreads to the private sector jobs in firms that do business with state and local governments. The federal aid can help keep these folks on the job and contributing to the economy until a real turnaround occurs.

“We estimate that half the jobs that are created by fiscal relief to the states are private-sector jobs,” said Mr. Mishel. “No one thinks about that.”

More controversial but increasingly important is the idea of direct government job creation. The recession has absolutely crushed employment opportunities for unskilled, undereducated young people — not just in big cities and rural areas, but in suburban communities as well. Without direct government intervention, the recession is never going to end for them.

During the first half of this year in Illinois, to take one wretched example, just one in four black men in the age group of 20 through 24 had a job.

Nationally during that period, according to the Center for Labor Market Studies at Northeastern University in Boston, “the employment rate of males 16-19, 20-24, and 25-29 were at their lowest values over the past 61 years for which national employment data are available.” That’s for men of all ethnic groups.

“The past,” as William Faulkner told us, “is not dead. It’s not even past.” The lessons of the Works Progress Administration and the Civilian Conservation Corps of the 1930s are right in front of us, ready to be studied, analyzed, updated and applied to the present-day needs of the country.

If we’re serious about getting the U.S. back on track economically, we will have to take our heads out of the sand at some point with regard to the nation’s infrastructure. America has to be rebuilt, modernized and re-energized — from its water and sewer systems to its schools to the smart grid and the alternative energy sources that so

many are talking about and beyond. That's where the jobs are for the long term, and that's the only route to a truly flourishing future.

These investments would be costly and require vision. Seeing them through would take an enormous collective effort by politicians and the public alike. But some variation on these themes is absolutely essential if the U.S. is to pull itself out of the economic quicksand and its long-term, potentially very tragic consequences.

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