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Behind job numbers

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The weak growth in American jobs in September has disappointed just about everybody paying attention. But more than easy money and deficit spending is needed for vigorous growth.

Economic growth arises from innovation and growth in the labor force, its skills and capital available to it — all of which have slackened over many years. The recession officially ended in June 2009, but growth has been abnormally weak since. Growth in gross domestic product ran at an annual rate of 1.8 percent for the first half of 2013.

Brink Lindsey, a fellow at the Cato Institute, a libertarian think-tank, has produced a new report “Why Growth Is Getting Harder.”

His research yields these facts (among others): Participation in the labor force has stagnated since 1990. The participation of women has been falling since 1999. Annual hours worked per capita rose 18.2 percent in 1973-1990 and 2.8 percent in 1990-2007, actually falling 10 percent between 2000 and 2010.

High school graduation rates stagnated from 1970, rising from 73 percent in 2006 to 78 percent in 2010. In college, the share of women attending is still rising but male attendance stopped growing in 1980.

Net investment per capita has fallen since 1950, hitting a low for the period of 2 percent in 2009. Innovation peaked in 1950-1964, and except for a large spurt from the dot-com revolution in 1996-2004 remains below what it was in the 1970s.

Lindsey concludes — correctly — that public policy is “rife with barriers to entrepreneurship, competition, innovation and growth,” among them incentive-blunting taxes, favors to special interests, subsidies and restrictions on market entry. Byzantine regulations hurt too.

Now that we know what the real problem is, isn’t it time we elected people committed to fixing it?