

# Slate

## ***Almost Nothing Impacts the Aggregate Level of Employment***

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I agree with what Julian Sanchez is driving at in [his piece on the bad economics of SOPA](#), but I like [my column on the same theme](#) even better for a several reasons, one of which is that I don't even bother taking up claims about the alleged job-killing impact of online piracy. The thing about "jobs" is that if you're talking about *long-run consequences of policy*, then thinking in terms of jobs puts you into a kind of *Alice in Wonderland* universe where everything bad is good for you. It starts to look like trucks and freight trains are job-killers because they make it possible to transport goods more efficiently, or that tractors are the ultimate enemy of the working man.

Fortunately, the economy doesn't work like this. Two things determine how much employment we have. One is the size of the labor force. You can "create jobs" by telling grandpa he can't retire till 75, or by creating a social and institutional context that's favorable to married mothers' participation in paid work. The other is macroeconomic stabilization policy. If a large segment of your labor force isn't gainfully employed, that's a sign that your central bank is doing its job wrong. But things like copyright policy and all the rest, though important to human welfare, have nothing to do with jobs over the long-term. What they relate to instead is *prosperity*. How much overall stuff can we make, and who gets the stuff? With copyright, we want to strike a balance. Since making extra copies of a digital file is essentially free, all restrictions on copying both curtail the quantity of digital files we have and tend to especially burden the poor, while enriching a handful of superstars. On the other hand, the harder we make it for writers, filmmakers, and musicians to get paid selling copies of their work, the less incentive they have to produce new works. Common sense is that we should have rules

against unauthorized copying, but neither can we nor should we fully "stop" online piracy, any more than the NFL should be trying to make the penalty for pass interference so draconian that it never happens.

But nothing in this balancing act really has anything to do with jobs. Poor countries can have low unemployment rates and rich ones can have high ones (just look around the United States today). Keeping a lid on unemployment is a job for monetary and fiscal stimulus. Everything else speaks to how prosperous a society would be at full employment or how the fruits of that prosperity would be distributed.