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Viewpoints: For job creation, don't count on government

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Some years before China became an economic powerhouse, a businessman told this story, according to a Cato Institute article on job creation and government policy:

While touring China, he came upon a team of nearly 100 workers building an earthen dam with shovels. The businessman commented to a local official that, with an earth-moving machine, a single worker could create the dam in an afternoon. The official's response was, "Yes, but think of all the unemployment that would create."

"Oh," said the businessman, "I thought you were building a dam. If it's jobs you want to create, then take away their shovels and give them spoons."

With closely equivalent logic, White House spokesman Jay Carney recently proclaimed that extending unemployment insurance benefits "creates jobs." If we all become unemployed, it seems, we'd have the greatest job creation program ever.

Agriculture Secretary Tom Vilsack has claimed that food stamps create jobs. With one in seven Americans now on food stamps, the job market should be popping even more. The \$787 billion stimulus bill of 2009 was the biggest rabbit pulled out of the magic jobs hat, but job creation continues to limp at the slowest post-recession rate since the Great Depression.

The problem is that in order to "give," the government first must take. It takes from the productive part of the economy and gives to the less productive. It does not create that earth-moving machine that will generate new wealth and economic growth.

Yet, like Pavlov's dog, we have been conditioned to turn to government for its next "jobs plan."

Shouldn't we be looking, instead, to those who have actually created jobs? We should learn from a Californian who some say will rival Thomas Edison as one of the greatest innovators of his time: Steve Jobs, who just resigned as CEO of Apple but will serve as chairman of the board.

"There is no single company in California that's more important to the California economy than Apple," Joe Mathews, a journalist and Irvine senior fellow at the New America Foundation, told NBC.

Steve Jobs has shown how free market capitalism – not government spending – produces jobs and improves lives for millions.

Jobs co-founded Apple in his parents' garage in 1976 when he was 20. In 10 years Apple had grown into a \$2 billion company with more than 4,000 employees.

Today, with its iMac computer, iPod, the iPhone and iPads, Apple is considered the world's most innovative technology company. In August Apple briefly became the most valuable company in America, at \$349 billion, surpassing Exxon Mobil. It now employs more than 46,000 full-time employees and has generated income for untold numbers of others through product-related sales and services.

As Jobs' experience shows, wealth creation – the kind that grows an economy – is not about redistributing money. It's derived from the yearning of the human spirit to create – to innovate, to stir, to excite – to make something that improves people's lives.

Producing something new that people want to buy results in more jobs, more income, more prosperity and, yes, more tax revenues. It does not start with a government program, but with human ingenuity.

"You've got to find what you love," Jobs told Stanford University students during his 2005 commencement address. "Keep looking. Don't settle."

In the middle of his career, Jobs was fired from Apple after a competing vision with the then-CEO, but he didn't use it as an excuse to stop. "Sometimes life hits you in the head with a brick," he told the class. "Don't lose faith."

As it turned out, "getting fired from Apple was the best thing that could have ever happened to me," he said. "The heaviness of being successful was replaced by the lightness of being a beginner again, less sure about everything. It freed me to enter one of the most creative periods of my life."

He kept creating and eventually ended up back at Apple when the company was on the rocks. The cure, he said, was, "to innovate its way out of its current predicament." He helped turn the company around with powerful and popular new products, and he co-founded Pixar, now one of the most successful animation studios in the world.

Apple has created real jobs that generate economic growth.

Instead of the continued assault on success and achievement – tax the rich – our government leaders should herald the innovation and persistence that provides a far better livelihood to families than unemployment insurance or food stamps.

The proper role of government is not to create jobs. It is to foster an environment of freedom and opportunity to encourage the next generation of innovators like Steve Jobs.

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