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# Want More Jobs? Clean Up Our Messy Regulatory System

By Philip K. Howard



President Obama speaks at a construction site in Springfield, Va. -- part of the Virginia Infrastructure Project -- in 2009. (Reuters)

Creating new jobs requires more than monetary policy. Long-term strategies must include better training, as [Lenny Mendonca suggests](#) in this series, and more strategic immigration policies, as [Steve Case advocates](#). Stimulating immediate job growth, however, requires creating conditions that encourage human initiative. This requires toppling the sacred legal cows that make it costly and time-consuming to pursue almost any new project, public or private.

Here are four legal overhaul suggestions that would stimulate new hiring and could be implemented as soon as Congress approves them. None of them require "de-regulation." All are based on the principle of replacing bureaucratic red tape and litigation with official responsibility and accountability:

1. Regulation should be [radically simplified](#), replacing sluggish procedures with official authority to get to a decision quickly. This can be implemented



Solving the nation's most entrenched

industry by industry. Any simplification will tend to stimulate economic activity and spark job-creating investment

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2. Small business should have a "one-stop shop" for approvals of new ventures.

In New York City, the Bloomberg Administration created the New Business Acceleration Team, which helps fledgling food and beverage operations navigate the city's regulatory complexities. A similar program was [created in Los Angeles](#) in 2010 to the benefit of 130-plus restaurants whose permitting process took half the normal time. The federal government should award grants to state and local governments nationwide to replicate innovative programs like these and extend them to additional industries. Government should take on the burden of coordinating its parts, rather than subjecting fledgling entrepreneurs to its bizarre requirements.

3. An infrastructure super-authority should be created with the mandate to approve certain new projects within one year of application -- including roads, bridges, wind and solar farms, and power lines. For interstate projects, the super-authority should have the power to cut through federal, state, and local red tape. Judicial review should be limited to jurisdictional issues, and should be resolved in the timeframe of a preliminary injunction (no more than 60 days). Checks and balances should be political, not legal: Give the president the authority to veto projects. Otherwise projects go forward with authority approval.

Today, the average environmental review process exceeds eight years -- compared to about two years in the 1970s. America's current infrastructure -- our highways, dams, and power lines -- basically could not be built today at a reasonable price and in a reasonable timeframe. By contrast, in 1933, less than three weeks after the creation of the Civil Works Administration (CWA), its head, Harry Hopkins, had [approved over 900 projects in Indiana alone](#), employing over 48,000 Hoosiers. Included among the CWA's accomplishments (where [less than two percent](#) of spending was wasted on administrative costs) were the repair or construction of over 250,000 miles of roads and 40,000 schools.

4. The legal risk of hiring new employees should be minimized. With some justification, employers view new employees as legal time bombs. Why take the risk of a potential discrimination claim, or other legal obligation, when someone doesn't work out? Indeed, economists have [modeled this phenomenon](#), showing that legal uncertainty depresses hiring rates by employers. The more legal risk and complexity employers face (like unemployment insurance, anti-discrimination statutes, immigration laws, disability laws, looming question marks in the Affordable Care Act ... the list goes on) the less likely it is that new employees will be hired. One solution would be to create a "free employment zone" for new employees, with simplified regulatory requirements, and where no discrimination or regulatory litigation is permitted unless first affirmatively approved by an independent official.

Like sediment in a harbor, most of America's regulatory requirements have [accumulated over the years](#) in response to real problems and needs. But at this point it's hard for anyone to accomplish anything without a huge legal staff. The American can-do spirit is bogged down in all these requirements. The solution is not to abandon important regulatory goals, but to dredge out the regulatory muck and replace it with piers and buoys that make sure people stay within accepted channels. The livelihood of real people depends upon it. As Harry Hopkins said in response to critics of his affront to bureaucratic processes while putting people to work during the Depression: "Hunger is not debatable." Neither is the joblessness of over 12 million Americans today. That's why America needs to clean out the law and liberate human initiative.

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