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Insider's View

At heart of downgrade is a lack of humility

by Antony Davies

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Politicians on both sides can't come to terms with why the government's debt was downgraded. The downgrade is due to a deficit, not of money, but of humility.

The president doesn't understand basic economics and, what's worse, he maintains an arrogant ignorance of his cluelessness. Instead of shelling out a few hundred dollars for an economics 101 course, he has spent \$3 trillion attempting to learn economics by tinkering with a real economy. That makes the past three years the most expensive economics course in the history of the human race.

One day after denying reality ("We've always been and always will be a AAA country"), he unwittingly tripped over the real problem when he announced new fuel efficiency standards for trucks. Uncertainty caused by ever-growing regulatory and tax burdens is what's holding the economy back. It's time for politicians to step away from the [Kool-Aid](#) and admit that government doesn't create jobs — it moves jobs.

Sure, jobs appear when the government spends money, but that money doesn't fall from the sky. The government must tax or borrow to obtain money, and jobs disappear as taxes and borrowing rise. Government moves jobs from Detroit to Iowa when it taxes gasoline and subsidizes ethanol. Government moves jobs from the future to the present when it borrows to pay for stimulus spending.

It's entrepreneurs who create jobs by figuring out how to make new, better and less costly things that people want so much that they will voluntarily part with their money to obtain them. Entrepreneurs give us products we want to buy. Government gives us products we must be forced to buy.

When the world no longer wanted our steel, Pittsburghers didn't look for government handouts. We picked ourselves up and figured out what the world did want. Our entrepreneurial spirit birthed health care, higher education, financial and technology companies that held our unemployment rate at 7 percent when the rest of the country rocketed past 10 percent. Pittsburghers know that people, not government, create jobs.

The lesson politicians must learn is that government is the right tool for securing justice, but markets are the right tool for creating and disseminating wealth. That lesson doesn't require intelligence. It requires humility.

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