

## The Economy in Perspective

*My dinner with André ...* I really didn't mind that my friend was already 25 minutes late, or that the restaurant he had chosen was in a desolate section of the city. André is consistently 30 minutes behind schedule, and his taste in dining is impeccable. What worried me was the newspaper coverage: Despite his brilliance and charm, I was concerned that he had finally bitten off more than he could chew. According to published reports, André, the economic minister of Nedlaw, had come to lecture U.S. leaders on how to create jobs. How preposterous! With employment expanding so rapidly and our jobless rate at a 25-year low, what's left to say?

I heard the sirens and knew from their intensity that André would arrive in moments. But imagine my surprise when he turned the corner in a rickshaw pulled by a trio of gasping Nedlawnsians! Alighting with characteristic grace, he motioned me inside the restaurant, The Sweaty Brow.

"André," I asked, "what's with the rickshaw?"

"Oh that," he said, as he scanned the menu for appetizers. "By traveling like that, I demonstrate how easy it is to create jobs. A cab would have required only one person's labor; the rickshaw needs three!"

I understood instantly. Always the showman, he knew how dramatic his entrance would be.

"Nice touch," I said, with a trace of envy. "Where did you find the rickshaw?"

"Brought it with me on the steamer. Rickshaws and bicycles have become the dominant modes of transportation since I restricted the use of motor vehicles in Nedlaw. By the way, I picked this restaurant because everything is so authentic. I hope you can spare about six hours for dinner."

"André," I asked, "I know that since becoming economic minister, you've been emphasizing jobs, but why restrict the use of cars and trucks? They are so much more productive than human-powered transport."

"I take the direct approach," he replied, "and it works. Everyone in Nedlaw is employed, and I'm proud to say that they work long hours! Pass me the mortar and pestle, would you? I'd like to start on that pesto."

"How do you create jobs?" I asked suspiciously. "Do you just put people to work for the government?"

"Absolutely not!" he protested. "That tactic is passé. We look for opportunities to protect jobs from being lost and for attracting others. For example, your agricultural industries are extremely productive, but you have hardly any farmers left. I've even read that some of your people worry about farmland being turned into housing developments and shopping centers. We don't have those problems in Nedlaw because farming makes up about 20 percent of employment, compared to your 2 percent. Nedlaw's government keeps agriculture attractive by paying farmers high—but fair—prices for their output. The program is so successful that it employs all the Nedlawnsians who used to make and service cars!"

"But how can you afford to subsidize so many farmers?" I asked.

"We collect funds through a payroll deduction program called Jobs 4 All," said André. "Hey, I'll trade you that potato ricer for this shrimp deveiner. Speaking of trade, here's an example of being alert to its dangers: Our neighboring country, Sergorp, wanted to create a free-trade zone with Nedlaw. But we were afraid that policy would put many of our farms out of business, so we declined. We saved tons of jobs!"

"Wouldn't Nedlaw have benefited in any way from more trade?" I wondered.

"Theoretically yes," my friend sighed. "We are sure that companies in Sergorp would have had to buy construction equipment, engineering know-how, and architectural services from Nedlaw. But you're missing the point. We don't know who would get those jobs, but we do know all the farmers. Besides, the people who can produce what the Sergorpians want already have jobs. In fact, they're the highest-paid workers in Nedlaw! They're much too busy to satisfy any more Sergorpian needs."

"André," I cried, "I hope you can make our leaders see the light. We are so backward that we only pay attention to productivity, thinking good jobs and economic growth will follow. Tell me, what will your next initiative be?"

Moving away from the hearth where he had been turning the spit, he mopped his forehead. "Next," he exclaimed triumphantly, "I will raise Nedlaw's standard of living. Why must I come to your country for a dining experience like this?"