

Knock down the barriers to a quick recovery: After the coronavirus, we need to pave the path to growth

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It takes longer to get a license to cut hair than to be an emergency medical technician.

The coronavirus pandemic has brought into sharp relief a number of dysfunctional government programs that interfere with the nation's ability to recover economically when the emergency eases up. Three examples: Certificate of Need laws, commercial licensing requirements, and zoning restrictions.

These laws and policies harm Americans and serve no useful purpose. Now they are impeding the effort to control the pandemic and putting roadblocks in the way of an urgently needed economic recovery.

[Certificate of Need requirements](#) inhibit the creation of new and needed medical (and other) services by requiring entrepreneurs to prove that their service is “needed.” Such certification normally requires that the existing providers of such services — putative competitors of the newcomers — agree on the “need,” which they seldom grant. This has prevented the creation of new medical services in several states.

Occupational licensing sharply curtails the roles that can be played by nurses and nursing assistants and other trained medical personnel in the current crisis. Occupational licensing also limits the entry of newcomers in many fields thereby raising the cost of licensed services and limiting the availability of those services. The Institute for Justice (IJ), which provides legal assistance to those trying to gain access to protected professions, [notes that](#) “in most states, it takes 12 times longer to get a license to cut hair as a cosmetologist than to get a license to administer life-saving care as an emergency medical technician. Moreover, most occupations are unlicensed somewhere, suggesting they can be safely practiced without a state license.”

In 2018 the IJ successfully argued a case before the Supreme Court on behalf of African American [hair braiders](#) in Mississippi, who had been forced to become licensed hairdressers in order to simply braid hair. Those demanding such training? Salons, beauty schools, and those already licensed, who felt threatened. IJ’s victory liberated home hair braiders, but thousands of similar licensing laws continue in effect in every state in the country for a wide variety of other perfectly safe professions.

[Zoning laws and land-use restrictions](#) also impede economic development.

Zoning rules which restrict housing density or make building compliance codes costly and cumbersome invariably result in fewer homes and housing units being built. This in turn increases the need and the demand for housing and makes the housing that does exist more expensive, producing ever-increasing value for existing owners. The result, particularly in coastal cities, is a lot of wealthy enclaves that ordinary people cannot afford.

Relatedly, zoning and the resulting shortage of housing leads to long commutes for those who can’t afford housing near city centers, and in some cases, the loss of opportunity for those who would like to work where the best jobs are but cannot afford to live there. [The Pratt Center for Community Development and the](#)

[Rockefeller Foundation](#) report that more than 750,000 New Yorkers now commute more than two hours each way, for example. Priced out of the housing market, the poor move out, into the surrounding boroughs, only to find their commutes stretching longer and longer.

The economic impact extends beyond those immediately affected. A [2017 study](#) from the National Bureau of Economic Research concluded that productivity drops when workers can't get housing near where they work, which causes U.S. productivity overall to suffer. Workers who can't afford to live in major cities are pushed into less challenging, less lucrative jobs in smaller towns with more affordable property values and rentals. This phenomenon lowered aggregate U.S. growth by more than 50% from 1964-2009, [according to economists](#) at the University of Chicago and the University of California at Berkeley.

The American economy is going to struggle to get back into gear after the huge blows it has suffered in the coronavirus pandemic; common-sense regulatory reforms can help ease the transition back to a healthy economy.

Harvey and Conyers are co-authors of "Welfare for the Rich."