Obama’s Jobs Council promotes pro-corporate policies

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The report from the President’s Council on Jobs and Competitiveness, released in mid-January, is a blueprint for the subordination of every aspect of American society to a single goal, boosting corporate profits.

Obama appointed the panel last year, under the leadership of Jeffrey Immelt, CEO of General Electric. Among the companies represented on the council are Xerox, American Express, DuPont, Southwest Airlines, Procter & Gamble, Boeing, Intel, Citigroup, Comcast and UBS.

Two union leaders, Richard Trumka of the AFL-CIO and Joseph T. Hansen of the United Food and Commercial Workers, also were appointed. So reactionary and pro-corporate was the report that the two union executives had to issue a public dissent in an effort to cover up their collaboration. This “opposition” is of course combined with all-out support for the Obama administration, which commissioned the report and now will implement its recommendations.

The “Road Map to Renewal” issued by the council details proposals for education, job training, tax credits and tax cuts for specific groups of corporations, and deregulation of business, many of which were incorporated into Obama’s State of the Union Address.

The report takes as its starting point that the jobs and living standards of working people are to be held hostage to private profit. It declares flatly, “government-led initiatives will not create the jobs we need to reduce unemployment in a sustainable way. The private sector must lead.”

There is no examination of why private sector employment is actually lower today than in 2001—a full decade of standstill in what is routinely referred to in the corporate-controlled media as the “engine” of the US economy. Instead, the report calls for more of the tax cuts and deregulation already enacted by the Bush administration and then continued under the Obama administration.

The report points to a consensus in the US ruling elite about “finally getting toughminded about the barriers to competitiveness posed by our regulatory and tax regimes… To start, we need to cut corporate tax rates, eliminate loopholes, broaden the base and improve the competitiveness of our tax code.”

The call to “broaden the base” is political code for increasing taxes on working people, particularly those whose incomes are so low that they pay no federal income tax. Various methods have been proposed, including a regressive “flat tax” that would be the same for paupers and millionaires, or a national sales tax or value-added tax, which would hit working class consumers the hardest because they spend nearly all their income on consumer goods.

After noting the declining education and skill level in the United States, the byproduct of decades of budget cutting by federal, state and local governments, the report calls for measures to “fundamentally realign workforce training around the skills employers actually demand…”

Gone is the principle, which once animated public education in the United States, that a well-educated citizenry was a necessity for a democratic society, as well as an inherent good in its own right. Instead, the council demands an education system tailored to the requirements of US corporations.

The report complains of “a postsecondary system that is frequently decoupled from employer needs” and declares that “business has an opportunity to be an essential voice in influencing the nation’s education policy, practice and innovation” through “partnership between businesses and educational institutions.”

The report calls for the federal and state governments, as well as universities, to discourage students from choosing liberal arts programs rather than technology, science and engineering.

The goal is not an educated population, but “to effectively align labor demand with supply.” In other words, the council proposes an education system that produces skilled engineers and technicians in the quantity required by business, with the rest of the population consigned to low wage service and production jobs for which education is, to use the business terminology, not "cost-effective."

In one chilling passage, the report proposes, "longer work-based training and conditional employment to displaced workers," suggesting such programs "yield better outcomes, especially for low-income adults." To put it bluntly, this is a plan for state-supported indentured servitude for laid-off and low-paid workers, who will work as cheap labor for the corporations ("work-based training"), to be hired and fired at will ("conditional employment").

For K-12 education, the report calls for stepped-up use of "performance metrics" and "teacher accountability," buzzwords for accelerating the testing mania promoted under the Bush administration's No Child Left Behind program and continued under Obama's Race to the Top initiative.

While public education will be straitjacketed to the requirements of business, corporate America would be showered with credits and tax cuts to subsidize US companies against their foreign rivals. The report complains of higher levels of state funding for corporate research and development in Japan, China and South Korea. It demands "a competitive tax policy that incentivizes innovative companies to locate their R&D, production and employment in the United States…"

The report details a variety of changes in the tax code to benefit hedge funds and private equity firms, endorsing the bipartisan Senate bill proposed by Democrat Mark Warner and Republican Jerry Moran to provide 100 percent corporate income tax exemption and 100 percent exclusion from capital gains taxes for various forms of start-up companies funded by venture capital.

It calls for similar "performance-based tax policies" to promote energy efficiency and development of so-called green energy companies. Among the proposals are making the research and development tax credit permanent and extending production tax credits for new energy technologies.

The manufacturing section of the report calls for an offensive on the world market against the major rivals of American capitalism, particularly Germany and China, a goal embraced enthusiastically in Obama's State of the Union speech. Proposals include the inevitable tax credits and subsidies for exporters.

The report tacitly applauds the Obama administration's bailout of the auto industry, which was accomplished through cutting wages for newly hired workers by 50 percent, as well as cutting pensions and medical benefits for workers and retirees. This is supplemented by another section on how "controlling health-care costs can boost manufacturing competitiveness."

The report also notes the significance of manufacturing for military purposes, calling for "retaining and bolstering a robust advanced manufacturing capability in such key industries as airplanes, automobiles and biologics."

That last term is both ominous and revealing, since it suggests a commitment by the Obama administration to developing biological warfare capabilities despite US treaty obligations not to do so, and such debacles as the 2001 anthrax attacks on US targets, allegedly carried out by a scientist at a US Army laboratory.

Another section of the report calls for sweeping regulatory "reform," by which the corporate CEOs mean eliminating many regulations and gutting the enforcement of most. It hails the effort already undertaken by the Obama administration through Executive Order 13563, which Obama issued one year ago, directing every agency of the executive branch to review regulations on business and scrap as many as possible.

The council called for a particular focus on limiting "economically significant rules," including retrospective review of past regulations based on "cost-benefit analysis," which presumes to weigh the benefit in lives from anti-pollution and workplace safety rules against the cost in dollars to corporate America.

The report concludes with a call for sweeping "tax reform," claiming that the United States will soon "have the highest statutory corporate tax rate (including federal and state taxes) among the 34 OECD countries." Here the critical word is "statutory." US corporations pay only a small fraction of the prescribed tax rate, because of the myriad loopholes and tax avoidance strategies available to billion-dollar companies, but not to small businesses or working-class taxpayers.