

White House publicity stunt offers no relief to long-term jobless workers

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With nearly three million long-term unemployed workers actively seeking jobs in the US, the White House hosted an event Wednesday, which Obama administration officials claimed would improve job prospects for those out of work for six months or longer.

The measures announced, including a paltry \$170 million worth of grants for “public-private partnership” projects, will do nothing to seriously address long-term joblessness, which remains near the highest level since the Great Depression of the 1930s. Instead the gathering was a public relations stunt aimed at boosting the fortunes of the Democratic Party in the mid-term elections.

The professed concern by Vice President Joe Biden and Labor Secretary Tom Perez was designed to counter the widely held and well-deserved public perception that the administration, which never tires of boasting of record corporate profits and, until lately, booming stock markets, is indifferent to the plight of jobless workers. This has been reinforced by Obama’s collaboration with the Republicans in brutal cuts to long-term unemployment insurance and food stamps.

Biden and Perez met with officials from Citigroup, CVS Caremark, Boeing, Dow Chemical, Wal-Mart, Ford and other major US corporations, which earlier in the year signed a non-binding pledge to review their hiring practices in order to prevent discrimination against job seekers with long gaps in their employment histories.

By the administration’s own figures those who have been unemployed for seven months need to submit an average of 35 resumes to online job postings just to receive one interview—not a job. This compares to just 10 resumes per interview for those who have been unemployed for a month.

Nothing of any serious substance emerged from Wednesday’s meeting. It goes without saying that the administration did nothing to compel the large corporations to hire anyone, let alone propose any government funded job programs.

On the contrary, the administration and its big business backers see high levels of unemployment as a positive good, i.e., a means of driving down labor costs even further and boosting profits.

Rather than invest in expanding production and hiring new workers, to a large extent major US corporations have channeled their record profits into stock buybacks to drive up the share value of the stocks controlled by corporate executives and wealthy investors.

If they are hiring at all, major employers are exploiting the high levels of unemployment and the financially precarious conditions of job seekers to sharply reduce wages and benefits. Wages have dropped 7 percent since 2007 and are currently growing at the slowest rate since at least 1965.

During a call with reporters on the eve of the event, Labor Secretary Perez said a summit at the White House earlier this year, where companies signed the pledge, was “one of the most extraordinary events” he’s participated in. “Employers large and small came together and demonstrated a willingness to expand their talent pool, recognizing it was the right thing to do for people who have been down with their luck, but also it was the smart thing to do for employers,” Perez said.

One of the participants was Ford Motor Co. The Detroit automaker has just announced that it is adding 850 workers at its pickup truck assembly plant in Dearborn, Michigan. These workers will be paid half the wages of traditional workers as a result of the wage cuts demanded by the White House during the 2009 restructuring of the auto industry.

On Whitehouse.gov, the administration declared that America's "strong economic growth" has already led to a sharp decline in long-term joblessness. "Since December 2013, the number of long-term unemployed has fallen by 900,000, accounting for about 90 percent of the total drop in unemployment in the past 10 months."

In fact, the figures cited by the administration can largely be attributed to the record number of workers who have given up looking for nonexistent jobs and have fallen out of the labor force. Workers who have not sought jobs within four weeks of the government's monthly survey are not counted as unemployed.

According to the jobs report released earlier this month, the share of US working-age adults in the labor force fell to the lowest level in 36 years. The total number of working-age people who are not in the labor force hit a new record, 92.5 million, up more than 2 million since September 2013, the Labor Department reported.

The Labor Department announced \$170 million worth of grants for projects designed to help the long-term jobless get back to work. The grants are earmarked for "public-private partnerships," a scheme used by the administration to accelerate the privatization of services in cash-strapped states and municipalities and channel more money into corporate hands.

According to the White House web site, one of these grants is for the Philadelphia District 1199C Training and Upgrading Fund for In-Demand Jobs in Community Health. This is a sop to the Service Employees International Union (SEIU) 1199C, which, the White House refers to as a "well-established job training organization in Philadelphia."

Under the program the union apparatus will be paid to operate as the procurer of cheap, skilled labor for Children's Hospital of Philadelphia, Nationwide Healthcare Services, and several local nursing homes. The union-run apprenticeship program will "standardize the skills needed for community health care workers across a number of employers, making it clearer what individuals need to do to get these jobs."

The White House also praised Frontier Communications for hiring more than 250 people from the ranks of the long-term unemployed since January—representing about 20 percent of the

company's hires—because it stopped using resume screens. The company, which took over the landlines of Verizon in a \$2.9 billion deal, has just collaborated with the Communication Workers of America to push through a contract that will sharply increase health care expenditures for workers.

Describing the conditions on the job, one former Frontier employee, an Internet help desk technician from Allen, Texas, wrote, "Upper management is pathetic. It shows no remorse for firing half of the front men and just keeps churning and burning through them."



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