

**THE THORNY QUESTION:  
HOW TO CREATE JOBS IN THE U.S. ?**

It may be a little unfair to state this, but since Mr Barack Hussein Obama II became the first black President of the United States of America, he has been unable to create any material number of jobs for the man in the street.

This excludes employees of the US Government, of course.

As the 44<sup>th</sup> President of the US, he moved into the White House on January 20, 2009.

One month later, in February 2009, he signed the American Recovery and Reinvestment Act (ARRA) in order to kick-start the US economy.

Since sitting in the hottest chair on the planet, President Barack Hussein Obama II has concentrated his efforts on fiscal stimulus legislation, bank and insurance company bailouts, and the first comprehensive, health-care reform Bill in the history of the country, now known as the Patient Protection and Affordable Care Act.

But President Barack Hussein Obama II has been singularly unable to crack the unemployment '*nut*' that has been dogging him for the past year.

The unemployment rate, today, is somewhere between 9.70 percent and 10.10 percent, depending on the statistics that are in vogue at any specific moment.

It is the highest unemployment rate in 25 years.

Citizens of the US are concerned – and rightly so, too.

It is quite understandable that nothing could be psychologically more worrying for the blue-collar worker than to be uncertain when that pink slip will be inserted into the weekly/monthly envelop, containing the cheque in respect of the final payment of that worker's wages.

It is a matter of accepted fact that at least 8.40 million jobs have been lost in the US since the beginning of the recession in December 2007.

Today, in the US, one worker out of 10 workers of a working age is unemployed.

To be trite, there is no light at the end of this tunnel.

Statistically, the Gross Domestic Product became positive in the third quarter of 2009, thus, officially, marking the end of the longest and deepest recession since World War II at the time that Arab nations were demanding that crude oil be paid for in gold since the US dollar was deemed a questionable currency.

It is estimated that between 100,000 workers and 125,000 workers enter the labour market of the US, monthly.

Any increase in job creation that is less than 100,000, therefore, is meaningless.

In fact, with the Administration of President Barack Hussein Obama II, making the claim that it is able to forecast net job gains of 95,000 jobs per month before the end of 2010, it is, in fact, a retrograde forecast (if there is such a term).

This is because in order to keep the unemployment level even, that is between 9.70 percent and 10.10 percent, at least 112,500 jobs must be created monthly (the median point between 100,000 new entrants into the US jobs market and 125,000 new entrants into the US jobs market).

It appears to **TARGET** () that, perhaps, the Obama Administration may have forgotten that, in addition to the new entrants into the US jobs market, monthly, there are some 6.10 million US workers, who have been unemployed for an extended period of time – at least, half a year – with some 26.30 million workers, either unemployed, discouraged, and, therefore, no longer seeking employment, or accepting involuntary part-time employment in order to put bread on the table.

From where will the jobs in the US come, putting this not insubstantial labour force back to work?

The answer is elusive, to say the least.

Even if there is a period of recovery in the US labour market, it is unlikely to move the unemployment statistics into the black, very much, due to the following 4 factors:

1. The discouraged US workers of today – about 2.60 million of them – will hop on the first jobs bandwagon in order to become employed;
2. Workers, such as those who, for decades, had been working on Detroit assembly lines, churning out motor vehicles and the like, prior to getting their pink slips, are quite likely to be difficult to be retrained for new jobs, outside the Detroit model;
3. Workers who, for some time, have been unemployed, known as long-term unemployables, in some quarters – about 6.10 million of them – might well, today, be totally unemployable, updated knowledge of their former skills, having been eroded or a goodly portion, being forgotten due to the long periods of work stagnation; and,
4. For families, who are staring at negative values in their homes, due to no fault of their own, will, invariably, balk at the idea of moving house in order to obtain employment out of town – because they are unable so to do due, in large part, to financial obligations and a lack of funds to afford them the cost of such a move.

In an attempt to create employment, The Congress of the United States passed what has come to be known as *'The Jobs Agenda'*.

This, in effect, is an offer to US employers of \$US15 billion in tax credits for hiring new workers.

In addition, there will be another \$US10 billion, allocated as short-term extension of unemployment benefits for the unemployed.

The Restore Employment Act, the official name of The Jobs Agenda, will, also, give to employers, who hire new workers, an exemption of the 6.20-percent Social Security tax for the remainder of 2010.

There are other little benefits, also, for employers who keep new employees for at least one year.

But that is, just about, that.

If The Jobs Agenda is of any use at all, it will be of minimal value, it appears to this medium.

Between now and the end of 2010 up to the end of 2011, it is estimated that the maximum number of jobs that could be created by The Jobs Agenda is between 104,000 jobs and 234,000 jobs.

But, as **TARGET** has, already, pointed out, new entrants into the US jobs market is between 100,000 workers and 125,000 workers, monthly.

### **The US as a Manufacturing Base**

The truth is that many of the products that used to be manufactured in the US are no longer being produced in The Land of The Free and The Home of The Brave.

Because they are being made, elsewhere – and being made much better, too, in a number of categories.

The US has become, just about, the world's largest assembly plant in history for many products, bearing the label: '*Made in the USA*'.

Even with the US dollar, being depreciated against other '*hard*' currencies, making US-made products more competitive in the global arena, still US manufacturers have trouble in finding customers.

Detroit has, now, been removed to the People's Republic of China (PRC), which is, today, the tailor shop of the world, the largest producer of microwave ovens in the world, the world's largest producer of shoes, toys, and, you name it, the PRC is making it.

Even the very successful corporation, Apple Incorporated, the US multinational corporation that designs and manufactures consumer electronics, computer software, personal computers, iPhones and iPads, just to name just a few of the company's better-known products, buys many of the component parts for its products from Asia.

The Obama Administration, it appears, is not, really, tackling the problems, confronting the US economy with any real gusto.

The real, long-term solution to what ails the largest single economy of the world is unemployment.

Employment puts bread on the table ... it, always, has ... it, always, will.

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