

The Two Roads Out of Recession

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Recent events in Washington, D.C. should provoke fear and outrage in the average American worker. As the jobs recession staggers on, politicians and labor leaders alike seem bizarrely distanced from reality, unable to advance any ideas that remotely correspond to the basic demands of those tens of millions of unemployed, under-employed, or poorly paid workers.

Instead, what we get is President Obama's recent groveling to the corporate-dominated Chamber of Commerce, pleading with them to hire workers. The President's recent speech to the Chamber implied many dangers, which neither labor federation- AFL-CIO and Change to Win — bothered to point out. In fact, the AFL-CIO applauded sections of the speech, rather than condemning its sinister motives. If labor unions align themselves with the President's and the Chamber's pro-corporate path out of the recession, a workers' road to recovery will be bypassed.

What is the corporate route out of recession? Economist Robert Reich explains:

"[The Chamber of Commerce] has a deep, abiding belief in cutting taxes on the wealthy, eroding regulations that constrain Wall Street, cutting back on rules that promote worker health and safety, getting rid of the minimum wage... fighting unions, cutting back Medicare and Social Security, reducing or eliminating corporate taxes, and, in general, taking the nation back to the days before the New Deal." (February 8, 2011).

This is the group that Obama insists that it's possible to "work together" with to create jobs. Under Obama's vision, these pro-corporate policies will make Corporate America the best competitor on the global market, a goal he seems nearly fanatical about.

The President wrongly believes that, by giving in to the above corporate policies, big business will hire workers — at low wages — out of the kindness of their own hearts, as if morality has ever played any role in the art of profit-chasing.

Here's what Paul Krugman of The New York Times has to say about focusing U.S. economic policy around making U.S. corporations more competitive:

"...isn't it at least somewhat useful to think of our nation as if it were America Inc., competing in the global marketplace? No. Consider: A corporate leader who increases profits by slashing his work force is thought to be successful. Well, that's more or less what has happened in America recently: employment is way down, but profits are hitting new records. Who, exactly, considers this economic success?" (January 23, 2011).

Unfortunately, U.S. labor leaders have not yet drawn the same, correct conclusions as a

moderate liberal like Krugman. Worse yet, The AFL-CIO has worked, unforgivably, to bolster the Chamber of Commerce's credibility, forming a "partnership" with these corporate snakes to "rebuild America's infrastructure." The Chamber's President, Tom Donahue, was quick to take advantage of this positive press, which inevitably aims to fool workers into thinking their enemies are their friends:

"With the U.S. Chamber of Commerce and the AFL-CIO standing together to support job creation, we hope that Democrats and Republicans in Congress will also join together to build America's infrastructure."

Unfortunately, both the Democrats and Republicans have made it clear that any increase in public spending will pale in comparison to cuts in social programs that benefit workers. The New York Times reports:

"[Obama's] budget for the 2012 fiscal year, which starts Oct. 1, will call for greater deficit reduction [cuts] over the coming decade... the budget will reflect his midterm shift from a focus on stimulus spending and tax cuts in his first two years to budget-cutting as the economy [corporate profits] picks up steam." (February 12, 2011).

Cuts to social programs are inevitable because the Democrats have already extended the Bush tax cuts for the rich, while also promising to lower the corporate tax rate. This is the essence of the problem.

A workers' path to economic recovery would be the exact opposite of the above policies that the Chamber of Commerce is successfully implementing. Drastically increasing taxes on the wealthy and corporations is but the first, necessary step to increase public funding for a real jobs program.

This crucial solution is not being proposed by the big labor federations because the union leaderships have a suicidal attachment to the Democratic Party, whose favored constituency is, as always, the rich, who would rather not have their taxes raised.

Sadly, the leaders of both labor federations have done nothing of substance to show their members a worker-centered path out of the recession. They have passively attached themselves to the blatantly pro-corporate agenda pursued in Congress and the White House, while also doing nothing to fight back against the ongoing attack against public sector unions, the backbone of the American labor movement.

What we are witnessing is an attempt by the corporate class to fundamentally shift the power dynamics in American society, completely away from workers towards corporations. The project that began in earnest under Reagan has picked up steam with Obama. Bob Herbert's editorial in The New York Times describes this dynamic well:

"While millions of ordinary Americans are struggling with unemployment and declining standards of living, the levers of real power have been all but completely commandeered by the financial and corporate elite. It doesn't really matter what ordinary people want. The wealthy call the tune, and the politicians dance." (February 11, 2011).

There are only two ways out of this recession, the path sought by corporations and the one that will benefit working people. The two roads cannot be traveled on simultaneously. Nor can working people expect leaders of national labor unions or national liberal organizations to pick the correct path, let alone make one concrete step in any progressive direction.

The movement must start at the local level, from the bottom up. Local unions and labor councils should pass resolutions demanding that the rich and corporations be taxed for local and national jobs programs. Regional coalitions of community and labor groups can be formed to put on public forums, create educational material, and organize massive demonstrations. The first real step forward will happen after we learn to detach ourselves from the above corporate mindset, relying on ourselves and acting collectively.

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