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Obama's job-creation panel includes job-cutting executives

On the president's team of business and labor advisors are the heads of several companies that have reduced workforces while posting record profits.

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In another public demonstration of concern about the struggling economy, President Obama will meet in Pittsburgh on Tuesday with the business and labor leaders he has chosen to counsel him on job creation.

But many of the chief executives have cut American jobs and adopted tactics that weaken organized labor — even as their businesses post record profits.

The executives are members of the President's Council on Jobs and Competitiveness, which Obama created in January by appointing 26 leaders of companies including American Express, Comcast and Intel. (A 27th member was added in June.)

When he created the council, which also includes two labor leaders, a biologist and an economist, Obama said its members would assist him to "do everything we can to spur hiring and ensure our nation can compete with anybody on the planet."

Just days before the president appointed Kenneth I. Chenault, chairman and chief executive of American Express, to the council, the company announced a massive restructuring that closed a facility in North Carolina and eliminated 550 jobs, or about 1% of the company's workforce. At the same time, American Express announced it had made \$1.1 billion in the fourth quarter of 2010, up 48% from the same period the previous year.

Xerox, whose chief executive, Ursula Burns, sits on the board, has cut 4,500 jobs in the first six months of 2011.

Jim McNerney, chief executive of Boeing, shrank the company's California operations because of the end of the space shuttle program and defense cutbacks. In January, Boeing said it was cutting 1,100 U.S. jobs, including 900 in Long Beach, and has since announced further cuts in Alabama and Kansas, while adding

jobs elsewhere. At the same time, Boeing reported that profits rose 20%, to \$941 billion in the second quarter of 2011.

Some companies have been cutting jobs for years. Eastman Kodak, whose chief executive, Antonio M. Perez, is a member of the council, has completed a number of layoffs at its Rochester, N.Y., manufacturing facilities. Between 2004 and 2011, Kodak's Rochester workforce shrank by 9,200 to 7,100.

A handful of companies with leaders who serve on the council have received government funding for research and job creation projects under the Obama administration. General Electric, for example, received \$210 million in stimulus funds, making it one of five companies on the council that received a combined \$610 million from the 2009 American Recovery and Reinvestment Act, according to data posted on Recovery.gov, the government website that tracks stimulus dollars.

Some economists say the records of these businesses indicate that the U.S. can no longer look to corporations to boost job growth.

"Nobody should expect this group to come up with innovative ways of investing in the American workforce and generating not only more jobs but higher wages," said Robert Reich, who was Labor secretary during the Clinton administration. "That's just not what these big companies do."

The White House says members of the council serve as independent advisors. The council meets with the president every quarter and presents him with job creation proposals that have included decreasing regulation for small businesses and increasing foreign investment in U.S. companies.

Regardless of their track records, the council members "have offered a wide range of recommendations to the president," White House spokeswoman Kate Bedingfield said. "While decisions about which policies to pursue are ultimately the president's alone, he values the wide array of advice and input he gets."

Some council members run companies that have added jobs. Intel plans to hire 4,000 people this year, and is building plants in Oregon and Arizona. The railroad Burlington Northern Santa Fe added 4,500 employees this year.

The numbers are not the only measurement under dispute. Labor advocates say many of the council members have tried to quell organizing drives and force concessions in negotiations while reaping profits.

"They call it the jobs and competitiveness committee, but when they mean by competitiveness is

massive concessions being imposed on working people," said Chris Townsend, political action director of United Electrical, Radio and Machine Workers of America, which represents 3,500 General Electric workers.

Townsend says General Electric has closed 31 U.S. locations and cut 22,000 jobs in the last four years. It has cut wages of nonunion workers and, in the most recent union contract, required employees to pay higher deductibles for health insurance and eradicated pensions for new employees.

"We think it speaks of incredibly poor judgment on the part of the White House to select the members of the panel that they've selected and try to describe it somehow as a job creation panel," he said.

General Electric spokesman Andrew Williams said some job losses might be related to the sale of assets, and that the company planned to add jobs this year. It has 287,000 employees worldwide, 133,000 of them in the U.S.

"The brutal recession between 2008 and 2010 reduced GE's orders and forced employment cuts in the U.S. and globally," he said. "While GE closed some U.S. manufacturing and service locations, the majority were consolidations, with more than half the affected work transferred to other U.S. facilities."

Boeing is in the middle of a dispute with the National Labor Relations Board, which accuses the aircraft maker of moving work from union factories in Washington state to a nonunion plant in South Carolina.

Boeing spokesman Tim Neale said the company added union jobs in Washington state after announcing the decision to open a plant in South Carolina. Although "labor costs are always a factor," he expected the company would ultimately prevail in the lawsuit. He denied that Boeing retaliated against workers trying to form a union.

Union representatives disagree.

"Boeing executives view their workers as adversaries and competitors rather than partners who share a joint venture for a successful future," said Connie Kelliher, a spokeswoman for the International Assn. of Machinists and Aerospace Workers, which represents Boeing workers.

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