

Analysis: Obama faces heavy lifting at jobs forum

By TOM RAUM (AP) – Dec 1, 2009

WASHINGTON — The trouble is, the jobs just aren't there and many aren't coming back.

That's not just a huge economic problem for President Barack Obama — but a serious political one, too, as a bailed-out Wall Street roars back while the already bleak U.S. unemployment rate grows worse.

The jobs forum that Obama will host at the White House on Thursday is an acknowledgment that employment is not bouncing back as quickly as it used to after recessions. It's an opportunity for the president to show that he's engaged and on the job of finding jobs.

The risk for Obama is that the forum may be perceived as a public-relations gambit, as Republicans assert. That could further fuel perceptions that Obama has trouble making up his mind to take action, an allegation leveled by critics for the months he took in formulating his new Afghan war plan.

Thursday's gathering of top business leaders and economists comes amid rising populist outrage and a potential political backlash against majority-party Democrats, especially those whose message appears to be that there's little more the government can do on employment.

It also comes at a time of other fractures within Obama's party — over his war policy, his health care agenda and climate change legislation.

So, a jobs summit.

Indeed, Obama has a known fondness for summitry.

Less than a year into his presidency, he has already been through summits of the Group of 20 and Group of Eight major economies, of Western Hemisphere leaders and leaders of Russia, China and other powers.

Moreover, his administration has sponsored what it called a "fiscal responsibility summit," a "health care summit," a "swine flu summit," a "distracted driving summit" and the largest gathering of tribal leaders in U.S. history. "It's not that I've got summit-itis here," he commented earlier in the year.

In announcing the jobs forum — the White House has stopped calling it a "summit" — Obama cited millions of Americans "desperately searching for a job" and pledged to pursue "every additional and responsible step" to help speed up job creation.

Unmentioned is that Obama, his advisers and Democratic congressional leaders are keenly aware that Democratic prospects in next year's midterm elections will dim if the unemployment rate remains over 10 percent.

The jobless rate hit 10.2 percent in October and new Labor Department figures due out Friday are expected to show levels again exceeding 10 percent. There are currently six unemployed American workers for every available job, although many economists believe the recession technically ended sometime last summer.

A new survey by Democratic pollster Stan Greenberg and the Democracy Corps, which offers political advice to Democrats, said jobs have clearly become the main concern of anxious voters. Their report cited "an ugly brew" of slow recovery and continued job losses, combined with Wall Street bailouts, big bonuses, government takeovers, deficit spending and gridlock in Washington.

"Though former President Bush is still blamed for the economy and the deficits, incumbents are taking a big hit, with Democrats on the front lines," the Democratic-sponsored survey concluded.

"The political stakes on the issue are very large for the president. It is possible that he might have to run for re-election with fewer people employed than when he took office," said Rob Shapiro, a former under secretary of commerce and economic adviser to President Bill Clinton.

Obama himself appeared to play down expectations by telling NBC News last month that creating jobs directly was not a goal of the gathering.

He said the forum would give him and other administration officials a chance to talk to chief executives, small-business owners and other experts to find out what's going on.

Suggestions advanced for accelerating job creation range from tax incentives for companies that create new jobs, another stimulus package, more money for beleaguered states and local governments, to even a scaled-down version of New Deal government public works programs of the 1930s.

Mark Zandi, an economist who advised Republican presidential nominee John McCain last year but now regularly confers with congressional Democrats, predicts that under current policies, unemployment — which stood at 7.6 percent when Obama took office in January — will peak at about 11 percent next summer and could still be as high as 10.5 percent by Election Day.

Slow job rebounds are a recent trend. Even though jobs returned relatively quickly after the deep recession that ended in November 1982, it was 14 months after the relatively mild one in 1992 and 24 months after the 2001 recession before job growth returned to pre-recession levels.

Map

