



GUEST OPINION

June 17, 2013
www.iowapolicyproject.org

*From www.IowaPolicyPoints.org (“Job Creationism”) and as published in *The Des Moines Register*, June 17, 2013*

Iowa View: All hail the CEO, the wonderful job creator

By Peter Fisher

In the beginning, there was a CEO. And he said, “Let there be jobs.”

He wanted to be a Job Creator, since he had heard that Job Creators get all kinds of public praise and respect, not to mention some significant perks, like being able to flash the Job Creator ID card whenever anyone threatens to raise your taxes.

Others touted the ability of the Job Creator card to transfix governors and state legislators, who would then intone, “We will grant you any incentives you ask for, oh wonderful Job Creator.”

And amazingly, spending public money indiscriminately on Job Creators helps those public officials get re-elected. A win-win situation, at least if you leave ordinary working citizens out of the equation.

And his board of directors said, “Hey wait a minute; how about a new product first, and consumers who are willing and able to buy it.” So the CEO bought up an innovative startup company, and conducted market studies. And it turned out that indeed there was a market for this product, and sales to be had, and profits to be made.

But the CEO discovered that his board of directors and his shareholders really wanted him to focus on that last point: profits. It turned out that maximizing profits required minimizing costs, which actually meant hiring as few people as possible.

Workers, it seemed, could be a pain.

They wanted to be paid, and to get benefits like health insurance, and work in safe and reasonable conditions, and maybe join a union.

So the CEO set about creating as few jobs as he could, at the lowest wages that would get the skills he needed, with as little job security as he could get away with. He hired consultants to tell him how to keep them from joining unions. And he dreamed of a company that had no employees whatsoever.

As consumers spent more, the company produced more, and hired more workers. (Hmm. Seems like consumers are creating jobs. We can’t call everyone a Job Creator, though. Sorry folks.)

But then there was a recession, and consumers stopped buying, and the CEO had to lay off half his workforce. And when the economy recovered, he found he could make more profits without hiring them all back, by mechanizing some operations and outsourcing others to low-paid workers overseas.

The CEO fretted for a moment. Would they repossess his Job Creator card, because he was actually destroying jobs?

Well, not to worry. It turns out that you can destroy jobs right and left and that has no effect on your status. In fact, you can ship 1,000 jobs overseas and then get praised for opening a new U.S. branch that employs

50. Not just praised, but rewarded, with tax exemptions and credits and such — and these really help that profit maximizing thing that your board is so worried about.

In fact, it seemed that the more Job Creators laid off workers, the more desperate people became for jobs, and the more lavishly they showered benefits on the Job Creators. How could you lose with a deal like this?

When he read the fine print on the back of the card the CEO understood how membership actually worked: *Anyone in a position to hire* (and fire) was a Job Creator. Your actual record didn't matter.

Nor did anyone seem to worry about the actual source of job gains being traced to innovation, and research, and public support of universities, and public investments in transportation and other infrastructure, and broadly shared income that allowed consumers to buy the products and services that workers were producing.

So the CEO quit worrying, and sipped his martinis on the beaches of various tax havens in the Caribbean, contemplating how well deserved was his status as a Job Creator and how nice it was to be worshiped for who you were instead of what you did.

Peter Fisher is the research director of the Iowa Policy Project, an Iowa City nonprofit organization that was founded in 2001 to provide research and analysis on state policy decisions. Contact: pfisher@iowapolicyproject.org.