

Finally, a Targeted Stimulus Plan

The economists tell us that the recession ended several months ago but, for 14 million unemployed Americans, hard times continue. Apparently, the nation is going through a “jobless recovery.” This sounds like a contradictory statement considering that more than 8 million people lost jobs in the recession, and it is now obvious that the private sector cannot produce enough jobs to even begin to rehire these people. Most recent private industry new jobs have been in the health care and food service industries, traditionally the lowest-paying sectors of the labor market.

For months, we at the Community Service Society have been advocating for public service jobs that address the dire need to upgrade the nation’s infrastructure. Last year’s stimulus package was not targeted enough to maximize its value. Now President Obama has presented a plan to create jobs targeted on the transportation sector.

Transit Plan

The \$50 billion plan would include a government infrastructure bank that would finance projects such as upgrading the nation’s highway system, railroad tracks, and airport runways. The plan also includes a much needed new air-traffic-control system for the nation’s airports. The bank would use public funds to leverage private capital, bringing the private sector into the mix. A panel of transportation experts would approve the projects, thus taking these decisions out of purely political realm of congressmen seeking earmarks for their home districts.

In announcing the plan, the President said, “This will not only create jobs immediately, it’s also going to make our economy hum over the long haul.” And, of course, he is correct. The federal highway system, largely built during the Eisenhower administration, has been a great asset for the nation’s economy.

But the President and his advisors have overlooked a crucial element in their proposal. No doubt, if adopted, this plan would almost immediately create thousands of construction jobs. But who will fill those jobs?

Historic Discrimination

It is a historic fact that construction trade unions have discriminated against African Americans in hiring workers. Here in New York City, the unemployment rate for black men is well over 20 percent. The unemployment rate for young people is almost as bad. These are just the sort of chronically underemployed populations that can be greatly helped by an infusion of government and private funding into construction projects. But we know that won’t happen if no changes are made in hiring practices. When the federal government gets involved in giving out contracts, all sorts of anti-discriminatory provisions kick in. But these deal mainly with companies that contract with the government. In the construction industry, it’s the unions that actually provide the workers.

Several years ago, I was a member of the Mayor's Commission on Construction Opportunity. One of the provisions adopted by the commission was that local unions provide a pipeline to construction jobs for young people, especially blacks and Latinos. Since the construction industry has been hard hit by the recession, it is difficult to tell whether this is happening. Even so, nationally, there have been few attempts to end discriminatory hiring in construction trades.

Jobs Corps

One piece of federal legislation, which the Community Service Society has strongly supported, does address both the need for hiring and a provision for reaching out to underserved workers. The bill, introduced by New York Congressman Jerrold Nadler, entitled the "Transportation Jobs Corps Act," would recruit young people for jobs in the transportation industry. Diversity and serving underrepresented segments of the population would be particular priorities. This would have the dual effect of hiring young people and people of color, two segments of the population which have suffered greatly from joblessness. The bill, H.R.2497, currently has 24 co-sponsors in the House of Representatives. This is the type of legislation that the President should adopt as his own as he advances his transit stimulus plan.

If President Obama can get a recalcitrant Congress to agree on his plan – the best bet is in a lame-duck session after the November election – then the government must ensure that construction jobs are provided on a non-discriminatory basis. That will take the efforts of government at all levels, including the attention of public officials at the local level where construction projects financed by the plan would be located.

Trade union discrimination should have been dealt with a long time ago. Today, it's an anachronistic hangover from an era when racial and religious discrimination were rampant in America. It's time we got rid of this vestige of those sorrier times. That's the only way that President Obama's plan to put people back to work will reach those who most need jobs.

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From the New York Amsterdam News
September 16, - September 22, 2010