

Beaten US Unemployed Ready to Work for Peanuts

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Some media outlets number the American unemployed at 23 million others at 12 million, whatever the real figure it translates into a lot of pain for those affected.

We shouldn't forget that large corporations didn't think twice about going offshore to pursue a better bottom line. They were only too happy to dump the local high cost workforce in favour of third world bargain-basement cheap labor.

So now we have a very revealing headline from AFP; which, like all things generated by the corporations, should not be taken at face value.

After reading the media article below, try and think of the real reasons avaricious Corporations are considering returning back home -- this post is as much an exercise in awareness as it is about information.

Large Manufacturers Consider Moving Production Back to US

Watch out China and Canada, "Made in America" has an attractive ring to it these days.

Four years after the height of the financial crisis, marked by a drastic drop in salaries, the United States is again finding favor among manufacturers.

Out on the campaign trail ahead of the November 6 elections, President Barack Obama has picked up on the point to convince voters that the US economy is back on track.

"After years of undercutting the competition, now it's getting more expensive to do business in places like China," he said in May, adding that both wages and shipping costs were up in the single-party state known for attracting foreign firms that often subsequently cut jobs back home.

"American workers are getting more and more efficient. Companies located here are becoming more and more competitive. So for a lot of businesses, it's now starting to make sense to bring jobs back home."

According to a Boston Consulting Group survey and referenced by Obama, 48 percent of executives at companies with \$10 billion or more in revenues said they plan to bring back production to the United States from China — or are considering it.

Officials at 106 firms from a range of industries responded to the poll, released in April.

"Companies are realizing that the economics of manufacturing are swinging in favor of the US, for goods to be sold both at home and to major export markets," said Harold Sirkin, a BCG senior partner. "This trend is likely to accelerate starting around 2015."

With weeks to go before balloting begins, both the president and his Republican rival Mitt Romney have taken aim at China, with Obama seeking World Trade Organization action against Chinese auto subsidies.

Romney has vowed a much tougher line on China if he wins, including declaring that China is manipulating its currency to make its exports artificially cheaper.

Obama has renewed his charge that Romney, as a multimillionaire businessman at his private equity firm Bain Capital, was an early pioneer in advising American corporations to outsource blue collar jobs to low wage economies overseas.

Politics aside, the tendency to relocate is a multi-year process centered on growth prospects in the United States and “a lot of manufacturers have made a strong point of being closer to their customers,” said Adam Fleck, an economist at Morningstar.

And not to be forgotten is the prospect of cheap and abundant energy thanks to a shale gas boom in the United States.

Among those who have made the move are construction equipment maker Terex and Agco, a manufacturer of agricultural machines, according to Fleck.

Even giants such as General Electric and Caterpillar, while they may not have reduced their production in China, are more likely now than a few years ago to expand their operations stateside.

“Since 2009, GE has announced plans to create more than 15,500 American jobs and is building 15 new factories in the US,” said company spokesman Sebastien Duchamp.

He noted that the firm had added 10,000 jobs last year alone.

The high yen and the risks posed by great geographic distances at the heart of the production chain — highlighted by disruptions caused by the 2011 earthquake in Japan — have also led US and Japanese carmakers to boost their production on the other side of the Pacific.

Caterpillar has “reduced production capacity in Japan to relocate it in Texas” in particular, Fleck said.

Salary cuts in a number of sectors aimed at preserving jobs, especially in the car industry, have also prompted large American businesses to repatriate production from Canada to south of the border.

It remains to be seen how this apparent new trend will play out in the long run.

Some, such as French economist Evariste Lefevre, are taking a somewhat sarcastic stance for now.

“Will America become a low-cost nation?” he asked in an upcoming book, an advance copy of which was obtained by AFP.

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The real reason production is moving back to the US is that broken American workers are now cost competitive with third world workers. How does it feel shit eaters? The price of disunity and inaction is slavery.

<http://tinyurl.com/9tz72r9>

Jungle Drum Prose/Poetry. <http://jungledrum.lingama.net/news/story-138.html>