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# Why Romney And Obama Can't Fix The Unemployment Problem

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*Mitt Romney: The unemployment problem is much bigger than female job loss.*

(<http://www.forbes.com/sites/susanadams/2012/04/12/romney-claims-on-womens-job-loss-paint-a-misleading-picture/>) yesterday saying that Mitt Romney's attack on President Obama over women's jobs was misleading, I got a number of comments decrying the President's economic policies and his failure to create jobs.

To recap: Romney has been saying that 92.3% of the jobs lost during President Obama's term were lost by women. I pointed out that it's typical in a recession for men to suffer the first job losses, since male-dominated work like manufacturing and construction tend to be the first to take a hit. If you look to the beginning of the recession in December 2007, you see that men lost almost 3.3 million jobs in the 13 months before President George W. Bush left office. Women lost almost 1.2 million jobs during that time. Then under Obama, women caught up a bit, losing 683,000 jobs, while men lost 57,000. So Romney's contention is technically correct, but fails to acknowledge that male and female job losses have followed the pattern of the typical recession.

Then this morning, I read an [editorial \(http://blogs.reuters.com/chrystia-freeland/2012/04/12/the-rise-of-lousy-and-lovely-jobs/\)](http://blogs.reuters.com/chrystia-freeland/2012/04/12/the-rise-of-lousy-and-lovely-jobs/) by Chrystia Freeland of Reuters, which made me think of a bigger problem with all the political

rhetoric about job loss and job creation: the rise of structural unemployment. Romney can cut all the taxes he likes, and Obama can try to pass more stimulus programs, but no policy can remedy this deeper trend in the economy.

The Freeland piece picks up on a new study (<http://faculty.arts.ubc.ca/hsiu/research/polar20120331.pdf>) by two economists, Nir Jaimovich of Duke University (<http://www.forbes.com/colleges/duke-university/>) and Henry Siu of the University of British Columbia (<http://www.forbes.com/places/sc/columbia/>), who look at what's been called "polarization" in the job market. Technology has meant that increasing numbers of routine tasks are performed by machines. We see this in manufacturing, but I also see it when I go to my corner Walgreen (<http://www.forbes.com/companies/walgreen/>)'s, where three automated check-out stands eliminate the need for cashiers (except when the things break down, which is frequently, and a human has to reset them). It's not just lower-level work like repetitive manufacturing jobs or checkout counters, as Freeland points out. Machines also do the work of travel agents and even legal discovery that used to be handled by well-paid associates with law degrees.

Freeland also mentions two London School of Economics (<http://www.forbes.com/economics/>) professors, Maarten Goos and Alan Manning, who have talked about the rise of "lousy and lovely" jobs. The "lovely" jobs are the ones that pay a lot, like computer software design or managing complex litigation. The lousy jobs are the manual tasks that can't (yet) be done by machines, like collecting garbage or chopping onions in a restaurant.

It's the jobs in between that are getting squeezed out in each recession, and those jobs never come back, according to Jaimovich and Siu. That explains the so-called jobless recoveries the U.S. has experienced after the last three recessions and it helps explain the March employment news, where there were 34,000 fewer retail jobs, despite improving store sales. As Best Buy (<http://www.forbes.com/companies/best-buy/>) knows, e-commerce is putting huge pressure on the sector.

Presidential policy can go some distance toward preventing the next recession. If the U.S. can avoid creating another real estate or financial bubble, that could avoid another downturn that would stimulate more job loss. But what I take away from the Freeland piece is that no tax cut or stimulus plan will bring back most of the jobs that this last recession erased.

What's more, Freeland focuses on how technology is wringing mid-range jobs out of the economy. She doesn't even touch on the other giant structural change affecting jobs: the vast migration of work to low-wage overseas centers like China and India. I've yet to hear a word from Obama or Romney that can convince Apple to start manufacturing iPads in California.

Romney can blame Obama for female job loss and the President can claim to have a fix for the jobless recovery. But bigger structural changes in the employment picture mean, unfortunately, that neither has a ready fix for the employment challenge America faces.

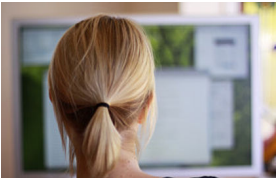


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