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Obama Administration Makes Unverifiable Claim of 545,000 IT Job Openings; H-1B Visa Boosting Likely Culprit

Posted on March 11, 2015 by [Yves Smith](#)

Although the plural of anecdote is not data, we've found Slashdot over the years to provide reliable early warnings of what were to become pervasive practices in the US employment market. For instance, for well over a decade, Slashdot has regularly featured reader-submitted articles along the lines of "I'm a new graduate in IT and can't find an entry-level job."

The oldsters would explain how yes, none of the large and hardly any mid-sized companies were willing to train people. They'd send the yeoman work that used to be how young professionals learned their trade offshore. Of course, that meant that the US was choosing to give up its leadership position in computer science by refusing to develop the next generation of professionals, but no one seemed to care much about that. The seasoned types would explain to the stranded aspirant how to cobble together assignments to try to develop a decent skill set.

That pattern has been replicated in other professions, in particular law and accounting. So how will we have a service industry in 15 years with no experienced service professionals? The only consolation is that some of those people over 65 who need for financial reasons to keep working may have higher odds than they ought to, if they are in one of these hollowed-out fields, of continuing to find work.

With this background, we have in the same day, hat tip bob, two stories on Slashdot that say a great deal about the reality of the labor market versus the official hype. It's noteworthy that the comments, which are typically fractious at Slashdot, line up almost uniformly on the "employers are looking for insanely specific and often unrealistic experience." And why might that be? In the case of tech in particular, to justify bringing in more H-1B visa candidates.

I suggest you read both threads in full. I'm featuring some representative comments below.

Here's the first post [Do Tech Companies Ask For Way Too Much From Job Candidates?](#):

The short answer: Yes. Many employers' "required" skill sets seem to include everything but the ability to teleport and build a Shaker barn; the lengthy requisites of skills and experience seem achievable only by candidates who've spent the past four decades using a hundred different programming languages and platforms to excel at fifty different, complicated jobs. Why do a lot of tech

companies do that? [Dice asked around and discovered a bunch of different reasons](#). Companies want to make investments in talent, but the inherent costs of that talent also make them wary of hiring anyone but the absolute best. The need to find the right talent, and the concern over cost, often leads to employers producing job descriptions too broad for the actual position. There's also pure idiocy: PHBs don't know what they want, don't understand the technology, and throw just anything into the description that pops to mind. Is there any way to stop this scourge?

Some readers pointed out if you were going through HR, you were already doomed, since for the better jobs, HR served only to do housekeeping (like run those background checks before the offer was actually made). But there's more to it...see this comment and then the replies:

They want everything, but when someone who has everything applies, they don't want to up the ante with high pay.

This. I was speaking the owner of a company last week. He loved my capabilities and experience, kept going on about the pivotal role I could play in his company and then said to my face that he was not going to pay market rates (but not in those words) – and no, he didn't mean he'd pay above market rates, he wanted to pay about 15% to 20% below market rates, and he was not offering anything in return of that.

You show the point. They don't want to pay. They want someone who is gullible. And that reduces to someone who is as young and inexperienced as possible with the minimum required knowledge. The long list is for lowering the applicant self esteem and make her/him believe that she/he hit the jackpot if hired.

Slashdot's community also pointed out that Dice failed to mention the elephant in the room, namely, the role of the H-1B visa process in these unrealistic job specs. That came even more strongly in focus in the second piece, [Obama Administration Claims There Are 545,000 IT Job Openings](#). The post proper:

The White House has established a \$100 million program that endorses fast-track, boot camp IT training efforts and other four-year degree alternatives. But this plan is drawing criticism because of the underlying message it sends in the H-1B battle. The federal program, called TechHire, will get its money from H-1B visa fees, and the major users of this visa are IT services firms that outsource jobs. Another source of controversy will be the White House's assertion that [there are 545,000 unfilled IT jobs](#). It has not explained how it arrived at this number, but the estimate will likely be used as a talking point by lawmakers seeking to raise the H-1B cap.

And the comments were pithy:

My experience is the people looking for tech jobs now either:

A. Want more money than they are worth (no offense)

- B. Are skilled in an area that is saturated (Windows admins)
- C. Expect the world to be like the Google Campus (Hipsters)
- D. Frankly, aren't worth hiring.

My experience is that the companies hiring tech workers now either:

- A. Want to pay less than people are worth (and therefore want to hire easily exploited foreign workers)
- B. Want specific experience with technology that hasn't existed long enough to create it
- C. Want to provide crappy working environments with clueless management
- D. Frankly, won't be in business very long because they can't adapt.

B. Want specific experience with technology that hasn't existed long enough to create it

THIS!!

I can't tell you how many job postings I read that said things like you need 5 years experience with X, Y, and Z.... only problem is Y and Z have only been out for 2 years and 4 years respectively.

Some of that is cluelessness in HR departments. (I recall a time where the jobs ads were filled with posts for entry level sysadmins, which demanded enough years of Unix experience that only Ken Thompson, Dennis Ritchie, M. D. McIlroy, and J. F. Ossanna MIGHT qualify. B-))

But some of it is part of the "hire a cheap H-1B" game. By making the requirements impossible (or rejecting all but a handful of people who already receive astronomical fees on the consulting market), they can claim that "There are no available US citizens qualified for the post." Then they hire an H-1B.

Of course the H1B doesn't have the qualifications, either. But his resume is inflated (typically by his recruiting firm, without his knowledge or approval).

The employer knows the game, and isn't expecting the claimed skills to be present – just enough skill to do the actual job. But a citizen who similarly inflated his resume would be in serious trouble as a result.

The boss gets his cheap laborer, the H-1B gets his job and visa, the recruiter gets his fee. Everybody is happy except the rejected US candidates.

So who checks for fraud? The boss is happy. The rejected candidates are in no position to investigate or initiate a claim. The government is not interested. (The boss' company is a big political contributor.) Nobody else has standing.

So now you know how it's done. And the Administration is completely on board. As another member of the Slashdot community remarked,

2017 cannot come fast enough. The current administration in the white house does not even know what party it represents, what it stands for.

Actually, it does, but it's now becoming clear to anyone who is paying attention that the Democrats are running on brand fumes. Yet the party is still acting if it can pull another fast one off on the electorate after being shellacked in the midterms. Good luck with that.

[Chris Hedges: "America is a Tinderbox"](#)

[Yanis Varoufakis: Greece is Finished](#)

[The Rise of Bullshit Jobs](#)

[Matt Taibbi: Obama's Big Sellout](#)

[Is a Great Grey Exodus from America Starting?](#)

[Bill Moyers on The Lives of the Very Very Rich](#)

[The US Lurches Towards Default... Again](#)

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[27 Bizarre Aircraft We Can't Believe Exist \(How Do Some Of These Even Fly?\) \(Odometer\)](#)

by [Taboola](#)

11 comments

1. [rjs](#)

just yesterday the labor department released the Job Openings and Labor Turnover Survey; the broad business services category, which included everything from janitors to temp office help, shows just 927,000 job openings

<http://www.bls.gov/news.release/jolts.t01.htm>

[Reply](#) ↓

2. [Furzy Mouse](#)

A friend who is the owner, CEO, etc. along with his sons, of a large construction firm in MD, recently mentioned that they had purchased four large trucks to haul aggregate...and have been searching for months now for qualified drivers....

[Reply](#) ↓

1. [Jesse](#)

Has he tried raising the pay?

[Reply](#) ↓

1. [ambrit](#)

(Second try at replying to Furzy Mouse.)

Not to run down your businessman friend, but has he considered in house training? Apprenticeships were the original method of fostering a skilled cadre of workers for a company. It's how my Dad, who couldn't afford University became a Draftsman and Engineer. His Apprenticeship Certificate was accepted by USAID back in the sixties as proof of competency in his field.

As for truck driving, the same dynamic seen just about everywhere else is at work. Companies want pre trained drivers for cheap. For an idea of the costs of learning that skill see:

http://www.cdlcollege.com/Course_Costs

[Reply](#) ↓

2. [Brooklin Bridge](#)

Correction, you mean, "Has he tried offering pay?"

[Reply](#) ↓

3. *ambrit*

Another knock on effect of this over qualification push is the increasing number of young and middle aged people going back for more ‘training’ at universities. They have been bamboozled into believing that they have to ‘up their game’ to have a chance in the new ‘meaner and leaner’ jobs market. I met several such people while working at the Big Boxx Store. They worked at a crap job to pay some of the bills while ‘improving’ their skills set at university. You could almost determine when the ‘awful truth’ finally dawned on them that they were wasting their time. The fire would go out of their eyes. They would walk slower, act somewhat more distracted, and be found standing staring into space, musing.

I’m somewhat surprised when otherwise intelligent people act like this is some new thing. If one were to include the importation of slaves in the class of ‘immigrant streams,’ the practice of encouraging cheap foreign labour to move to America to keep wages depressed has been going on for at least three hundred years.

The underlying dynamic is really “class struggle.” The best counter to the owning classes power that I have seen, short of an actual Dictatorship of the Proletariat, is Labour Unionism. Since we are evidently entering a period of “New Robber Barons” it behooves us to peruse our labour strife history from the older “Robber Baron” period. The Red Necks of Kentucky, the Molly Maguires, the original Wobblies, the Magon brothers and the Constitutionals of Mexico all showed the lengths one had to go to in effecting real reform.

Despite a century of popular propaganda emanating from the Technocrat Class, there is no easy way to gain and keep freedom. Until the former ‘solid’ “middle class” accepts this harsh judgment, there will be no progress for the majority of humanity. I personally grew up believing that I too would be a “Master of the Universe.” Boy, have I had a lot to unlearn.

[Reply](#) ↓

1. *Clive*

Yes, this issue has “class” written all over it.

And it’s not just of course a U.S. phenomena — this article <http://www.coolingpost.com/features/apprentices-better-off-than-graduates/> shows that in the UK, both younger people and, perhaps far more importantly, their parents’ preconceptions about what they need to do to “succeed” in what passes for our society/culture today are a very strong behavioural driver. In some ways, you can’t blame the mega-corporations (and maybe even less blame SMEs) for exploiting this self-inflicted gullibility. I do blame them of course, there’s nothing wholesome about exploiting people just because they are exploitable.

But regardless of fault, it is not going to be pretty when a cohort of currently 20-somethings realises that they’ve wasted not only money but more importantly a fairly hefty chunk of their early lives, having been sold a crock of bull. We’ll find out then just how “un-dischargeable” all those student loan debt really is.

[Reply](#) ↓

4. **Bobby K**

The company I work for “insourced” its entire IT department a few years back-I was a union programmer and part of our CBA contained a codicil whereby the company had to find me another position-not working in IT anymore. HOWEVER, hundreds lost their jobs, and now IBM India is doing the work on site.

[Reply](#) ↓

5. **Northeaster**

In the software arena you don't need H-1B's, they can work directly from their country of origin. As mentioned above, IBM does this, but it's not just India. IBM is notorious these days for cutting the older, more expensive workforce here, then simply outsourcing to say Slovakia (really). In the IBM world, someone has to get a bad review on their curve (called Resource Actions), meaning anyone with a “3” is now getting a pink slip. This isn't anything new, but the speed at which it is occurring today is. I think readers at NC are intelligent enough to figure out why.

[Reply](#) ↓

6. **alex morfesis**

guilds vs unions

big business killed unions by giving them too much heroin...then handed them a gallon of gasoline and matches to help with the self immolation...while we were asleep, the department of labor became the department of making sure major enterprises reslaverize america...it is not only impossible to operate a union today, it is impractical to attempt to start one...

but...

in this type of situation, what is needed is activity closer to what a guild used to do...and can do again...and a guild is really just a simple non profit enterprise...easy to form...easy to operate...and under the “educate and inform” type of operation (most non profits just talk) can easily move against the industry and its actions on job descrimination...easy meaning easier than wasting time with a “union” operation...unions are dead...the rules have been designed to insure they never rise again...

yes, like many things in life, one can easily find issue with bad things guilds did along the way...history is full of discooperation...but in the today and the now...because it is a little hard to feed oneself on the dust of history...

so be it...onward and forward...guilds can provide the benefits without the barriers...until ALEC and the Chamber figure out “guilds” need to be dealt with...but like many things in life, it will take them ten years to accept these incipient guilds are a problem...

“First they ignore you. Then they ridicule you. And then they attack you and want to burn you.

And then they build monuments to you”. ...Nicholas Klein (not mohandas)

[Reply](#) ↓

7. *washunate*

Yep, of course there aren't really unfilled jobs. STEM is a propaganda term invented by the political class to blame the victim, as if it is the fault of Millennials for not studying hard enough in school that they don't have decent jobs.

And on H1-Bs, that's how the lawyers tell HR to structure things. Craft job descriptions to be unrealistic, so that way you have documentation that who you didn't hire wasn't qualified. It's not even really specific to H1-Bs. This is a fundamental problem when we talk about jobs, because there is no definition of what a job is. It's whatever the employer is looking for. In a society where there are a few decent jobs and a lot of crappy ones (and no alternative to working), employers' main staffing problem is not finding qualified workers. They are everywhere. The issue is weeding people out carefully so they don't get sued by the huge numbers of the people who want a decent job that you didn't hire. And then of course there are terminations, which is another mine field even with an employee that is obviously a bad fit for the culture of an organization.

If employers needed more employees, then they wouldn't be so choosy. It's that simple.

But I'd say the bigger issue is the general restraint on the movement of people. We used to mock the Soviets for people having to carry paper around. Now the government meddles in every aspect of employment, which is a de facto subsidy of large enterprises at the expense of entrepreneurship and solo practices. Combine that with public policy that subsidizes mal investment and wage inequality and government sanctioned criminality and there's no way to not end up with the stagflation we've had of the last couple decades.

The key thing for me is none of that is the fault of foreigners "taking our jobs", but yet both Republicans and Democrats seem quite far down the xenophobic path of blaming domestic problems on foreign factors.

[Reply](#) ↓