

11 million remain jobless in US

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The US economy lost another 93,000 jobs in August, nearly half of them in factory production, the Labor Department announced Friday, as at least 11 million people remained unemployed, the highest number in nearly a decade.

“Since July 2000,” the department’s monthly report noted, “manufacturing employment has declined continuously, shedding nearly 16 percent of its jobs.” Among the hardest-hit sectors last month was the textile industry, which wiped out 12,000 jobs, while wood products, machinery, apparel and electrical equipment and appliance each lost 5,000.

Non-manufacturing areas—including those once proclaimed the engines of a new, “post-industrial” economy—were also hard hit. Employment fell by 16,000 in the information sector, where nearly half a million jobs have been wiped out since March 2001. Another 7,000 jobs disappeared in telecommunications, where employment has also declined continuously over the past year and a half. Eight thousand workers lost jobs in computer systems design, while 10,000 positions in company management were eliminated. The new job cuts were all the more staggering, given that most economists had projected the adding of between 12,000 and 40,000 jobs to US payrolls.

Only health care, construction and temporary services saw an increase in the number of jobs. Responding to the figures, Labor Secretary Elaine Chao sought to emphasize these sectors suggesting that job retraining programs could turn software designers into carpenters. In its last budget, the Bush administration proposed \$476 million in cuts to such programs.

The Labor Department’s report listed 8.9 million workers as officially unemployed, while it classified another 1.7 million people as “marginally attached” to the workforce. This latter category includes more than half a million “discouraged workers,” who have stopped looking for nonexistent jobs. According to the

department’s estimates, the ranks of these workers have been swelled by 125,000 over the past year, and 10,000 gave up on looking for jobs last month. Though jobless and desiring work, they are not counted in the unemployment rate.

The minute dip recorded in the official unemployment rate—6.1 percent compared to 6.2 percent in July—even as job cuts mounted was based on a survey of US households as opposed to business employment records. The business survey is considered more accurate.

Among those officially listed as unemployed, the number who have been out of work the longest has grown disproportionately. More than 2 million workers last month had been unemployed for 27 weeks or more. This compared with 1.5 million in August of last year.

The so-called economic recovery proclaimed at the end of 2001 has been based almost entirely on record increases in productivity, as US corporations continue transferring production to low-wage havens overseas, while sweating even more work out of those still on the job in the US. New hiring has largely dried up as US firms try to maintain profit rates and global competitiveness.

According to a report issued by the Labor Department Thursday, worker output per hour shot up by 6.8 percent in the quarter that ended June 30, even as employers cut workers’ hours by an average of 2.3 percent. The report cited an average annual increase in productivity since the end of 2001 of 5 percent, the highest posted since the 1960s.

There is no indication that the gains from increased productivity are being reinvested in new jobs. The latest figures from the Labor Department recorded another rise in first-time claims for unemployment benefits last week. The increase of 15,000 brought the total figure of newly laid-off workers to 413,000. Economists generally interpret anything over 400,000

as a sign of stagnation in the job market.

Figures released by the Institute for Supply Management, an employers' group, indicated that barely 50 percent of US companies are contemplating any new hiring.

Economic analysts cautioned that there are no indications manufacturing jobs will be restored, and that the ongoing job destruction reflects structural changes in the US economy rather than mere fluctuations in the capitalist business cycle.

"We have simply seen the tip of the iceberg," Wells Fargo's chief economist Sung Won Sohn told the Associated Press. "I think it will get worse, not better." Analysts have predicted that, given present trends, 5 million more jobs will be shifted to lower wage countries by 2015.

With literally no economic indicators pointing upwards, the Bush administration has been left to argue that had its economic policies—centered on a \$1.6 trillion tax cut directed to the rich—not been enacted, things would be even worse.

Bush had touted his tax cut package as a "jobs and growth plan," claiming it would create 5.5 million new jobs by the end of 2005, putting 344,000 more workers on payrolls each month after its passage in July. Instead, the first full month since the measure was enacted has seen the destruction of another 93,000 jobs.

Over 1 million jobs have been wiped out since the onset of this recovery. Since the end of 2000, the private sector has seen 3.2 million jobs destroyed, the most severe slump in employment since the Great Depression.

In a speech on his economic policies delivered Thursday in Kansas City, Mo.—a metropolitan area that has lost 44,000 jobs, 5 percent of its total workforce, since 2000—Bush brushed off the new round of dismal economic reports, declaring himself "much more optimistic today than I was a year ago" about job growth.

He claimed without any evidence that his tax-cut package "came at the exact right time," supposedly preventing another 1.5 million workers from joining the unemployment lines. He called for even deeper cuts in taxes on the wealthy as the solution to the protracted jobs crisis.

In an interview with CNBC, the US president exhibited his trademark combination of cynicism and

ignorance, declaring: "Rather than quantifying the numbers, all I want to do is create the conditions necessary so all eligible people can find work."

The administration has floated a proposal to create a new assistant secretary post in the Commerce Department, supposedly with a mandate to promote the retention of US manufacturing jobs. The proposal for a so-called "manufacturing czar" has been derided both by Bush's critics as well as some of his right-wing supporters as an empty gesture.

Mounting unrest over the unemployment crisis was reflected in a poll released this week by the Pew Research Center showing that more than twice as many people in the US believe the White House should focus on the economic crisis—57 percent—rather than the "war on terrorism"—27 percent.



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