

# Unemployment crisis shows the failure of capitalism

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The staggering figures released Friday on the US labor market demonstrate that what has developed since the Wall Street crash one year ago is not a conjunctural downturn or recession, but an historic assault on working class living standards.

The official unemployment rate for September was 9.8 percent, up from 9.7 percent in August, amid predictions that the jobless rate would pass the 10 percent mark and remain in double digits for at least the next year.

The US Labor Department reported a net loss of 263,000 jobs in September, far more than predicted by government and business economists. Another 571,000 workers dropped out of the labor market entirely, not looking for work during the month because they saw no prospect of finding a job.

Despite the claims of economic recovery, the combined total of 834,000 workers either losing their jobs or giving up the search for work is comparable to the 700,000-plus job losses recorded in January and February.

September marked the 21st consecutive monthly decline in jobs—the longest continuous drop in US employment since the Labor Department began collecting such figures in 1939.

Some 15 million American workers are unemployed, nearly double the number out of work when the recession began at the end of 2007. The average duration of unemployment is 26.2 weeks, more than half a year, the highest figure since the Labor Department began such statistics in 1948. One third of the unemployed, more than five million, have been out of work for 27 weeks or more. This is another Labor Department record.

In addition to those totally without work, another 9.1 million workers are classified as involuntary part-time,

working far fewer hours a week than they need to sustain their living standards. The combined total of unemployed, discouraged and involuntary part-time workers has surpassed 25 million—a number that, in absolute terms, far exceeds the jobless toll during the Great Depression of the 1930s.

Virtually every sector of the economy showed job losses in September, including 53,000 in government, mainly due to layoffs by states and cities. Only one sector, health care, showed an increase—and this is the sector being targeted by the Obama administration and Congress for major cost-cutting, which will inevitably take the form of a reduction in jobs.

There are now six unemployed workers for every job opening in America. A survey by the Business Roundtable, an association of corporate CEOs, said 40 percent of its member companies intended to cut their payrolls during the next six months, while only 13 percent planned an expansion.

More than one million Americans have filed for bankruptcy in the first nine months of 2009, according to the American Bankruptcy Institute. September saw a 41 percent increase over the same month in 2008, with 124,790 cases. The institute predicted that a total of 1.4 million people will file for bankruptcy by the end of this year.

The derisory response of the Obama administration and Congress to the jobs disaster is a limited extension of unemployment benefits. By one estimate, 400,000 workers exhausted their unemployment benefits in August and September, and one million will do so by the end of the year.

In his weekly Internet address Saturday, President Obama said he was considering “additional options to promote job creation.” The measures outlined by White House spokesmen consisted merely of extended

unemployment benefits and tax credits for laid-off workers to buy health coverage under the COBRA program. Obama touted his health care restructuring as a boon to business, saying “small business owners want to grow their companies and hire more people, but they can’t, because they can barely afford to insure the employees they have.”

The White House has rejected calls for a second stimulus package, and the same position was voiced by former Federal Reserve Board Chairman Alan Greenspan in an interview on the ABC news program “This Week.” Two leading senators, Democrat Charles Schumer of New York and Republican John Cornyn of Texas, speaking on the same program, endorsed Greenspan’s opposition to any new funding for job creation.

Maintaining unemployment at the highest levels since the Great Depression is a deliberate policy of both big business parties and the ruling class as a whole.

While Democratic politicians and union bureaucrats invariably blame the economic collapse, particularly in manufacturing, on foreign competition and imports, the jobs crisis is of global dimensions. According to the Organization for Economic Cooperation and Development (OECD), which groups the 30 largest industrialized nations, the jobless rate for all 30 countries will approach 10 percent in 2010—just about the projected average for the United States. Some 57 million people will be out of work by the end of next year—a number equivalent to the total population of France, Italy or South Korea.

The jobs crisis demonstrates the failure of the capitalist system—not only in the United States, but internationally. Not a single capitalist government, in any of the OECD countries, has lifted a finger to create jobs or put the unemployed to work. In each country, the ruling elite is using mass unemployment as a club against the working class, to enforce demands for the destruction of wages, benefits and working conditions.

The working class must fight these demands by putting forward its own program for the defense of jobs, which starts with the needs of the masses, not the profit requirements of big business. Workers must take direct action against layoffs, short-time working and the shutdown of factories and offices, by occupying their workplaces, preventing their closure and appealing for the widest possible support from all

working people.

This must be combined with the demand for a multi-trillion-dollar program of public works—instead of limitless handouts to the banks—to provide good-paying jobs and rebuild the social infrastructure, including homes, hospitals and schools. The demand must be raised for immediate measures of relief, including full pay for all laid-off workers, at their previous salaries, and a ban on foreclosures, evictions, utility shutoffs and other measures by which the burden of the capitalist crisis is imposed on working people.

These demands must be placed within the framework of the political struggle for the socialist reconstruction of society. Make the capitalists pay for the crisis, not the workers! Revoke all bailouts to Wall Street! Place the giant corporations and banks under public ownership and democratic control, with no salary higher than that paid to a skilled worker! Reorganize economic life to serve the needs of the working people, not corporate profits! Establish a 30 hour work week at 40 hours pay to guarantee a decent-paying job to every person who wants one!

The axis of this struggle is a break with the two big business parties and the building of an independent mass party of the working class, based on a socialist and internationalist program.

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