

# Obama and the jobs crisis

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In the face of a record rise in joblessness, the Obama administration continues to demonstrate its callous indifference to the plight of millions of unemployed workers and their families.

The official unemployment rate shot up to 10.2 percent in October, the highest level since 1983. Nearly 16 million people are jobless, an increase of 7 million since the recession began. If workers who have given up looking for work and those forced to work part-time are added, the real unemployment rate is 17.5 percent—or more than one out of every six workers in the US—the highest rate since the Great Depression.

The White House responded to the job figures by repeating its mantra that employment is a “lagging indicator” in an otherwise recovering economy. While acknowledging 10 percent was a “sobering number,” the president said, “History tells us that job growth always lags behind economic growth.” The president added complacently, “Although it will take time and it will take patience, I am confident that we are moving in the right direction.”

The suggestion that the unemployment trend will soon reverse itself is a lie. Most economists now predict that double-digit unemployment will last for years. Nevertheless, the administration has rejected any government-funded public works program to hire the unemployed. The *Washington Post* recently noted that White House officials reject the idea because it “does not produce long-term value”; that is to say, it does not produce profits for big business.

The issue of employment has long been at the center of economic and political life in America. The last century saw New Deal public works projects, and “Full Employment” programs, which, while woefully inadequate, were presented as an effort to battle the scourge of mass unemployment. In the Obama administration the question has become a non-issue.

This inaction and indifference has produced a series of warnings from Obama’s liberal supporters concerned over the explosive social and political consequences of a worsening jobs crisis.

On Tuesday, *New York Times* columnist Bob Herbert worried that “more and more Americans are questioning [Obama’s] priorities, including millions that went to the mat for him in last year’s election.” “The lack of jobs,” he continued, “is fueling the nervousness, anxiety and full-blown anger that are becoming increasingly evident in the public at large.”

In a *Washington Post* article, entitled, “Why won’t Obama give you a job?,” staff writer Alec MacGillis complained that the administration has “studiously avoided paying people to go to work” like the government did in the 1930s and 1970s. “Engaging in more forthright job creation could invite some political pitfalls (such as those constant accusations of socialism), but is double-digit unemployment any less a political risk?”

Such appeals fall on deaf ears. Obama’s disinterest is not a tactical mistake but the result of the social and class interests the president and both political parties defend.

While doing nothing to relieve working people, the administration has spared no expense and wasted no time in augmenting the wealth and power of the financial oligarchy that rules America. It has handed trillions to Wall Street, driven GM and Chrysler into bankruptcy to slash the wages of auto workers, and pushed the restructuring of the health care system to gut Medicare and reduce medical costs for big business. In foreign policy, the administration has squandered hundreds of billions and the lives of thousands of soldiers in two colonial wars to control the energy rich regions of world.

The continued high level of joblessness and economic insecurity is a deliberate aim of the administration. The

threat of job losses is being used to break the resistance of American workers to a permanent reduction in their living standards and working conditions.

In the July-September quarter, productivity grew at a 9.5 percent annual rate, according to a government report. Even though working hours fell by a 5 percent annual rate, output increased at a 4 percent rate. “So people working shorter hours had to do the same amount of work as before, or more,” *BusinessWeek* noted. “People who kept their jobs had to pick up the work of ex-colleagues” or simply put in extra hours that weren’t counted in the statistics. As a result, unit labor costs fell 3.6 percent over the past year, the largest decrease since records were first kept in 1948.

This increase in exploitation is central to the administration’s plans to restructure American capitalism on behalf of the most powerful sections of the financial elite. The ruling class is seeking to lift itself out of the ruins of its own economic crisis by transforming the US into a cheap labor platform to increase exports, and by carrying out a policy of austerity at home to make the working class pay for the bailout of Wall Street.

If the working class is to oppose this assault it must assert its own class interests and develop a programmatic response to the economic crisis.

The Socialist Equality Party insists that employment and decent living standards must be guaranteed to all. The guiding principle of jobs policy must be to protect the working population from destitution, and provide employment for the purpose of raising the material and cultural level of the people, not profits for the capitalists.

The SEP calls for the sharing of available work among all workers with no loss of pay. Every worker should be guaranteed 30 hours of work at 40 hours of pay, with quality health and retirement benefits.

A multi-trillion public works program must be launched to hire the unemployed and put them to work to address pressing social needs. Projects must be launched to build affordable housing, guarantee high quality health care and education, expand public transportation and carry out other improvements in the physical and social infrastructure.

To secure the necessary resources, the grip of the financial aristocracy must be broken by nationalizing the banks under public ownership and confiscating the

ill-gotten gains of the rich and super-rich. Capitalism is incapable of meeting the social needs produced by its own calamity. It must be replaced with a social system that does, socialism.

In place of the anarchy and socially destructive “free market” system, the economy must be reorganized on the basis of a democratic plan to meet the needs of society as a whole, not private profit. The socialist transformation of the US economy must be part of a globally planned economy, in which working people control the wealth that they produce.

The fight for this requires the building of a new political party of the working class to oppose the twin parties of big business and fight for political power. Such a party must be based on the fight for its political independence, internationalism and the socialist transformation of society. This is the aim of the Socialist Equality Party.

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