

Record levels of long-term unemployment in US

Jerry White
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Despite the pronouncements by the Obama administration and the news media of a supposed economic recovery, unemployment, and particularly long-term joblessness, continues to inflict immense suffering on tens of millions of workers and their families in the US. At present some 15 million workers are officially unemployed, including one out of every five men between the ages of 25 and 54.

In many ways, the protracted character of the economic downturn and magnitude of the social distress it has caused rival that of the Great Depression of the 1930s. Last week, the Labor Department reported that 6.7 million unemployed workers—or 46 percent of the total—have been without a job for six months or longer, the highest percentage since the government began collecting such data in 1948. In April, the average unemployed worker had been jobless for five months, also a record.

A recent study conducted by the John J. Heldrich Center for Workforce Development at Rutgers University, “No End in Sight: The Agony of Prolonged Unemployment,” found that 80 percent of 1,200 unemployed people interviewed in August 2009 were still out of work in March 2010. Of those one in five who managed to find work, over half had to take a pay cut from what they earned in their prior jobs, “and about a quarter took a significant salary hit.”

Obama hailed as “very encouraging” last week’s Labor Department report that 290,000 jobs had been added to the economy. The job total, however, is well below the number that must be added each month—*over the course of the next four years*—just to keep up with the increased demand of new workers

entering the job market.

The official jobless rate of 9.9 percent in April is a gross underestimation. If millions of “discouraged” workers who have given up searching for work were added, along with those forced to work part-time, the real jobless rate would be 17.1 percent. All told, there were nearly 27 million workers either unemployed or underemployed in April.

The unemployment crisis has taken a devastating toll on workers and their families. According to a recent report, “Hunger in America 2010,” 49.1 million Americans—nearly one in six—were identified as “food insecure” in December 2008, even before the full impact of the recession was felt.

Figures released last week from the federal Supplemental Nutritional Assistance Program (SNAP), showed a record 39.4 million people are receiving food stamps—a 22 percent increase from a year ago and the 14th consecutive month the number of recipients has increased. Arizona, Colorado, Florida, Idaho, Nevada, Rhode Island, Wisconsin, Wyoming and Utah saw increases of 33 to 47 percent.

With millions of the long-term unemployed facing the exhaustion of their benefits, the Democrats and Republicans are stalling on proposals to extend the number of weeks jobless workers can qualify for government relief. Moreover, federal stimulus money is scheduled to run out this year, threatening to put hundreds of thousands more teachers, firefighters and other public sector workers on the unemployment lines.

Several economists have warned of a “double-dip”

recession in the US, triggered by the sovereign debt crisis in Greece and other European countries. Even before the onset of a new economic downturn, White House officials acknowledge millions of jobs lost during the recession will never come back.

Last month, Obama's chief economic advisor, Lawrence Summers, said, "A good guess ... is that when the economy recovers five years from now, one in six men who are 25 to 54 will not be working." Speaking in St. Louis last week, Paul Volcker, another Obama adviser, said Americans needed to be prepared for a "long slog" and that "unemployment will be too high for far too long."

Obama and his advisers have rejected out of hand any proposals for a government funded public works program to hire the unemployed. "There are limits to what the government can do," the president said last week, emphasizing again that, "the true engine of job growth in this country will always be the private sector." Rejecting any government spending to create jobs, Summers said last month, "Is this the moment for some major new experiment in Keynesian pump-priming? Absolutely, no."

Every one of the administration's initiatives—from the bailout of Wall Street, to the forced bankruptcies of GM and Chrysler and the attack on auto workers, to the cost-cutting health care plan, to its plans to gut entitlement programs—has been aimed at augmenting the wealth and power of the financial and corporate elite.

The Obama administration welcomes mass unemployment as a hammer to destroy the gains workers have won over decades of struggle and to increase the exploitation of the working class. Its view of a "post-recession America" is one where the working class accepts perpetually high levels of joblessness, a drastic and permanent reduction in consumption and wage levels that are "competitive" with the lowest wage countries.

This is the program of every capitalist regime in the world, from Greece, to Britain, to Japan. The working class is being forced to pay for the bankrupting of

society caused by the massive transfer of public money to the banks.

If workers are to avoid a relentless descent into pauperism they must initiate a struggle to defend the right to jobs and a decent standard of living for all. This requires a struggle to mobilize the entire working class against the Obama administration and both big business parties, and to advance a socialist alternative to the capitalist profit system they defend.

The Socialist Equality Party calls for an emergency program of public works to provide every unemployed worker with a good-paying job within six months. Trillions of dollars must be made available to rebuild the decaying social infrastructure, including schools, hospitals, public housing, roads, water and sewage systems and other public facilities.

This should be combined with measures to alleviate the hardships brought on by the world capitalist crisis, including an end to foreclosures, evictions and utility shutoffs, an increase in the minimum wage to \$20 an hour, and a reduction in the workweek to 30 hours at 40 hours' pay.

We reject the claim that there is "no money" to provide for the needs of the population. The trillions expended on war and the bailout of the wealthy must be redirected to meet social needs. The fantastic wealth accumulated by the corporate and financial elite—often through fraud and criminality—must be reclaimed.

The subordination of economic life to the capitalist principle of private profit must be abolished. The major banks and corporations must be transformed into public utilities, democratically controlled by the population and dedicated to meeting social needs.

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