

# The jobs crisis and socialist policies

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Friday's unemployment figures from the US Department of Labor shattered the months-long propaganda campaign by the government and the media claiming that the US is in the midst of an economic recovery. This campaign is based on equating the rise in corporate profits and stock prices with "recovery," while downplaying long-term mass unemployment and the social disaster it is creating.

Friday's jobs report demonstrates both the inability of American capitalism to create jobs for millions of workers and the refusal of the Obama administration to make any genuine effort to offset the impact of the economic crisis on working people.

While May saw a net increase of 431,000 jobs, 411,000 represent hiring by the federal government to provide temporary help in conducting the 2010 Census. The Bureau of the Census is expected to scale back hiring from now on, and these temporary jobs will be largely gone by the end of summer.

Job creation in the private sector was only 41,000, while state and local governments, hit by an intensifying budget crisis, cut 22,000 jobs. The number of workers considered long-term unemployed—out of work for 27 weeks or more—rose to the highest level since the Labor Department began keeping such records in the 1940s.

President Obama tried to cover up the obvious meaning of the jobs report with rhetorical flimflam, claiming Friday that the numbers showed the US economy was "getting stronger by the day" and that "we are moving in the right direction." Professional economists and media commentators, however, treated the report as a sharp warning of a "double-dip" recession, and the New York Stock Exchange plunged, with the Dow Jones Industrial Average falling 323 points to finish below the 10,000 mark.

The *Washington Post* declared bluntly, "The new data confounded expectations, spurred by the April

report, that the job market might finally be taking off and many of the nation's 15 million unemployed people could soon get back to work. Forecasters had been encouraged by gains in economic indicators—including business surveys, retail sales reports and measures of industrial output—and expected to see accelerating job growth as well. They were wrong."

The anemic level of private-sector hiring is not merely an "aspect" of the economic crisis, but its essential feature. According to the Labor Department, there were 8 million fewer workers on private payrolls in May 2010 than when the recession began in December 2007.

The private sector employs roughly the same number of American workers today as in 2001. In other words, net job creation by the private sector, the supposed engine of economic progress according to both the Democrats and the Republicans, has been zero for a full decade—the entire period during which first George W. Bush and then Barack Obama occupied the White House.

A separate report, published late last month by the newspaper *USA Today*, found that private-sector pay had shrunk to the smallest share of personal income in American history during the first quarter of 2010. Private-sector wages represented only 41.9 percent of total US personal income, down from 44.6 percent when the recession began in December 2007. This decline in wages was partly offset by an increase in government benefits, which rose from 14.2 percent of total income to 17.9 percent over the same period.

An editorial in the *Wall Street Journal* Saturday sought to place the blame for the ongoing economic slump on excessive burdens imposed on business by the Obama administration. Under the headline, "Employers on Strike," the *Journal* wrote: "The private economy—that is, the wealth creation part, not the

wealth redistribution part—gained only 41,000 jobs.”

The language is inadvertently revealing. By “wealth creation” the *Journal* means the creation of profits for the capitalist class. And in a very real sense, the American capitalist class *is* on strike, seeking to enforce more favorable conditions for profit-making at the expense of the working class.

It has deliberately increased unemployment to the highest levels since the Great Depression in order to terrorize the entire working class into accepting jobs at any wage, no matter how low, and under any conditions of exploitation, no matter how brutal. (Among the obstacles to job creation cited by the *Journal* is the rise in the US minimum wage to a miserable \$7.25 an hour.)

The Obama administration is nothing more than an instrument of this drive by corporate America to slash working class living standards—as it demonstrated in the forced bankruptcy of General Motors and Chrysler, where the basic wage rate has been cut in half, with new workers entering the auto plants at \$14 an hour or less. Obama has repeatedly declared that there will be no effort by the federal government to hire the unemployed through public works programs and that job creation is the role of the private sector—i.e., the capitalist class.

The working class must recognize that unemployment is neither a natural catastrophe nor an individual problem of the unemployed. It is the deliberate policy of the American capitalist class. The fight for jobs and against mass unemployment is an essential part of the class struggle, and it requires the mobilization of the working class against the corporations and their political front men in Washington.

The Socialist Equality Party calls on working people to build their own mass political party, independent of the Democrats and Republicans and opposed to the profit system, to fight for a program that can put an end to the destruction of jobs and offer a way forward for millions of unemployed workers and youth.

We call for an emergency public works program to provide every unemployed worker with a decent-paying job. Millions should be hired to deal with the enormous unmet social needs in education, health care, and the social and public infrastructure—including roads, public transportation, housing, the environment, and the rebuilding of urban America.

This should be combined with the reduction of the work week to 30 hours at 40 hours’ pay, to insure that all those who want and need a full-time job can find one.

The resources for such a program can and must be obtained by confiscating the wealth of the capitalist class—beginning with the bankers, hedge fund parasites and corporate CEOs—and reorganizing economic life to serve the needs of working people, not private profit.

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