

US Senate advances stripped-down jobless benefits bill

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21 July 2010

The US Senate on Tuesday passed a bill extending federal unemployment pay. The vote came seven weeks after the June 1 expiration of the benefits.

The bill, which resumes the period of benefit coverage to 99 weeks of unemployment for most parts of the country, is expected to pass the House and be signed into law by President Obama on Wednesday.

Two Republican senators from Maine, Olympia Snowe and Susan Collins, joined 58 Senate Democrats to break a Republican filibuster blocking the \$33.9 billion bill, which will restore unemployment benefits to roughly 2.9 million workers who lost them during the hold-up. The vote took place moments after Democrat Carte Goodwin was sworn in as the replacement for the late Senator Robert Byrd of West Virginia. One Democrat, Senator Ben Nelson of Nebraska, voted against the measure.

Obama made a public show of supporting the bill only on Saturday after its passage was assured with the addition of Goodwin to the ranks of Senate Democrats. For more than three months, while the bill was stalled in the Senate, Obama did virtually nothing to push for an extension of jobless benefits, even as millions of workers lost their only source of cash income. In recent appearances to promote his economic agenda, Obama did not even mention the lapse in benefits for the long-term unemployed.

Tuesday's vote was based largely on electoral calculations. Democrats hope that Obama's attack on Republicans, whose opposition to the temporary extension was nearly unanimous, will resonate under conditions of the worst jobs crisis since the Great Depression.

The longer-term prospects for those depending on extended jobless benefits remain grim. Whereas an earlier version of the bill would have expired at the end

of the year, in the new Senate version benefits will dry up in November, soon after the midterm elections. With Republicans widely anticipated to add seats in the Senate, it is highly likely that extended jobless benefits will cease after the start of the 112th Congress next January, if not sooner.

The bill itself is a stripped-down version of similar "jobs bills" passed over the past two years. While it will retroactively reinstate benefits to millions of laid off workers, what has been left out of the legislation will result in increased hardship and poverty.

The bill does not provide billions of previously anticipated federal funds to assist struggling states in meeting the increased need for Medicaid, the joint federal-state low-income health insurance program. The decision, now evidently final, leaves at least 30 states plus the District of Columbia with budget shortfalls that will result in hundreds of thousands of new layoffs of teachers and other public employees and cuts in basic services.

A number of states are planning to exclude tens of thousands of people from their Medicaid roles and eliminate such services as dental, optical and even dialysis.

Also left out from previous versions of the bill is assistance for laid-off workers in maintaining their previous employer-based insurance through federal COBRA benefits.

As for jobless benefits, the bill will on average provide about \$300 per week to the unemployed. Computed over the course of a year, this comes to \$16,500—about \$6,000 less than the official poverty threshold for a family of four. In a futile attempt to attract more Republican support, the Obama administration and the Senate Democratic leadership included a cut of \$25 per week from the benefits that

had been allocated in previous bills extending the federal jobless pay.

The jobless benefits system in the US is, even in better times, woefully inadequate. Payments vary widely depending on the state, with jobless workers in some states receiving well under \$250 per week. Nationally, fewer than half of unemployed workers receive benefits at all.

The Republican Party and its media spokesmen have provocatively blamed mass unemployment on the jobless, with Arizona Senator Jon Kyl declaring that providing benefits is a “disincentive for [the jobless] to seek new work,” and Representative Tom Price of Georgia warning of a “moral hazard” created by the provision of a degree of sustenance to the unemployed.

This in an economy where nearly 10 percent of workers are officially unemployed, where an average of five jobless workers compete for every opening, and where the average length of unemployment is over eight months—the longest duration on record.

It follows, moreover, the allocation of trillions of dollars in public funds to bail out the banks and lucrative federal contracts to businesses under last year’s stimulus bill.

The near unanimity with which Republicans opposed the bill and the half-hearted efforts of the Democrats to pass it reflect an erosion in ruling class support for even the most modest ameliorative measures like extended jobless benefits, which in previous recessions were passed with little controversy. In February, a single Republican senator, Jim Bunning of Kentucky, was left largely isolated by his party’s leadership in his bid to hold up a similar bill. Now, as the Associated Press notes, “the GOP has grown increasingly comfortable opposing the legislation.”

Obama and the Democrats fully support the underlying logic to the Republican position—that the working class must be made to pay for the economic crisis precipitated by the financial elite.

On Monday, Obama delivered brief remarks on the bill with three unemployed workers standing behind him in the White House Rose Garden. The president criticized Republicans “who didn’t have any problem spending hundreds of billions of dollars on tax breaks for the wealthiest Americans are now saying we shouldn’t offer relief to middle-class Americans.”

Obama’s effort to pose as a defender of “middle-

class Americans”—he pointedly avoided using the term “worker” or “poor”—is absurd.

The Obama White House has done nothing to directly create jobs. Funds allocated under its 2009 American Recovery and Reinvestment Act went largely to private-sector firms. Now stimulus money for state and local governments that helped to plug gaping budget holes has begun to run out, leaving the states to face what has become commonly known as “the budgetary cliff.”

While the Democrats for weeks proclaimed themselves powerless before Republican parliamentary maneuvers, they joined hands with the minority party in mobilizing congressional support for the US wars in Afghanistan and Iraq. Prior to the July 4 recess, a supplemental war funding bill of \$33 billion—the same size as the jobless pay bill—was passed by the Senate unanimously.

The turn to austerity in the US has been spearheaded by Obama. His health care “reform,” signed into law earlier this year, aims to save hundreds of billions by reducing costs and the provision of medical care for the working class. Obama’s 2010 budget, dubbed “A New Era of Responsibility,” was coupled with an executive order enacting a long-term freeze on non-military discretionary spending—i.e., the programs that benefit the broad mass of the population.

The passage of the bare-bones jobless benefits bill after weeks of delay makes clear that workers cannot defend their most basic interests through appeals to the Democratic Party.



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