

Obama imposes pay freeze on 2.1 million federal workers

Tom Eley**30 November 2010**

President Obama on Monday announced the imposition of a two-year pay freeze on all federal government employees outside of the military. Pending congressional approval, the order will take effect immediately, affecting 2.1 million workers and eliminating a scheduled 1.4 percent pay increase for 2011.

The move is the latest chapter in a concerted campaign of wage-cutting that began with the Obama administration's bailout of GM and Chrysler, which was predicated on massive wage and benefit concessions to ensure profits for Wall Street investors. The federal wage freeze is at the same time the opening salvo in a far broader assault on the working class that will take shape over the next two years, using as a pretext the November 2 midterm elections, in which massive voter anger and disillusionment with the right-wing policies of the Obama administration led to a lopsided Republican victory.

"The hard truth is that getting this deficit under control is going to require some broad sacrifice, and that sacrifice must be shared by the employees of the federal government," Obama said in announcing the measure on Monday morning. This is "the first of many difficult steps ahead," said Jeffrey Zients, deputy director of the Office of Management and Budget. "Clearly this is a difficult decision."

Needless to say, the "difficult decisions," "hard truths," "sacrifices" and "tough choices" referred to by the White House apply only to working people, and not in the least to the financial oligarchy that both big business parties defend.

The move is a craven capitulation to demands from the Republican Party, which made the claim that government workers are overpaid a theme of its midterm campaign. Obama announced the pay freeze

the day before a meeting with congressional leaders, in order to demonstrate his willingness to "work with" Republicans—i.e., adopt their demands in full.

While taking away money from 2.1 million federal workers—and through them millions of children and dependents—Congress and the White House are colluding to extend tax cuts for the richest Americans. The tax cuts for the wealthy will cost \$700 billion over the next decade; freezing the pay of government workers will save a tiny fraction of that amount, even if White House estimates are to be trusted. The pay freeze would save only \$5 billion over two years—a tiny fraction of the trillion dollar budget deficit.

"We're going to have to budge on some deeply held positions, and compromise for the good of the country," Obama said. The particular compromise Obama is alluding to is his party's decision to accede to Republican demands for the extension of the Bush-era tax cuts for the wealthy. He made no suggestion that this would be coupled with an extension of unemployment benefits, which are set to expire for 1.2 million workers today.

Rep. Darrell Issa of California, the top Republican on the House Committee on Oversight and Government Reform, hailed the pay freeze as "necessary and, quite frankly, long overdue." Issa, a right-wing California Republican, is the richest member of Congress, with a net worth estimated at \$303.5 million for 2009, an increase of 21 percent in one year, according to data compiled by the Center for Responsive Politics.

The attack on government workers is embraced by both parties, a fact signaled by Obama's deficit-cutting commission, whose chairmen two weeks ago proposed a plan that would freeze pay for federal workers for three years and cut 200,000 jobs.

The panel, the National Commission on Fiscal

Responsibility and Reform, is to submit a formal proposal to Congress this week. The two chairmen, Democrat Erskine Bowles and Republican Alan Simpson, called for cuts in Social Security, Medicare and Medicaid, new regressive sales taxes on consumer purchases, and a new round of tax cuts for the wealthy, over and above the Bush tax cuts.

The wage freeze for federal workers will be followed by a campaign against all forms of social spending. But in spite of incessant claims from Republicans about “big government,” the civilian federal workforce of 2.1 million is the same size as it was in 1952, with the majority linked to the US military and intelligence apparatus.

The largest group of workers affected by the pay freeze will be the civilian employees of the Department of Defense, about 737,000 in all, over one third of the total federal workforce. The figure excludes the 1.6 million personnel in the uniformed US military—whom Obama spared from the pay freeze, in another indication of the military’s status as a caste with unchallengeable political influence.

The next largest segments of civilian employees also serve the military-intelligence complex: the 300,000 workers in the Veterans Administration and the 180,000 employees of the Department of Homeland Security. There are 113,000 employees in the Justice Department, a branch of the government that includes the Federal Bureau of Investigation (FBI).

The ranks of federal employees who work in departments that in any way serve the needs of the working population are far less numerous. In addition to the Veterans Administration, whose doctors and nurses must deal with the soldiers broken physically and psychologically by US imperialism’s wars abroad, there were 139,000 workers in the combined field of Health and Human Services, the Department of Education, and the Social Security Administration. There are 104,000 employees of the Department of Agriculture (which generally serves the interests of the giant agriculture corporations like Cargill, ADM, and Monsanto), 75,000 in the Department of the Interior, 109,000 in the Department of the Treasury, and 57,000 in the Department of Transportation.

John Gage, the president of the American Federation of Government Employees (AFGE), called the pay freeze a “a slap at working people.” But neither the

AFGE, which collects dues from 600,000 members, nor any other union of government workers has called for defying the government prohibition against strike action for federal employees and mobilizing workers against the government. Nor did Gage attempt to square the union bureaucracy’s funneling of millions of dollars in dues paid by government workers to elect Obama and other Democrats with the attack on the wages and jobs of these union members.

The pay halt for federal workers—perhaps the largest such freeze in US history—will have the most severe economic consequences in the large metropolitan area encompassing Baltimore and Washington DC and the large suburbs of northern Virginia, where a large proportion of federal workers live and work.



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