

# US unemployment remains at 9.6 percent despite rise in payrolls

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The US Labor Department's employment report for October, released Friday, showed a net increase of 151,000 non-farm jobs, ending four straight months of job losses. However, the official unemployment rate remained at 9.6 and would have risen higher had the labor pool not shrunk by more than a quarter million people.

The net payroll gain, the result of the addition of 159,000 private-sector jobs and loss of 8,000 public-sector positions, is far below what is needed to bring down unemployment from levels unseen since the Great Depression. The official jobless rate has been 9.0 percent or higher for 17 consecutive months, the longest stretch of joblessness above 9 percent since the 1930s.

The economy must generate at least 150,000 jobs a month just to keep pace with the normal growth in the labor force and prevent the jobless rate from increasing.

The *New York Times* noted Friday that “even if the economy suddenly ramps up and starts adding 208,000 jobs a month—the average during the best year of job creation this decade—it would take 12 years to fully close the gap between the growing number of American workers and the total number of jobs available, according to Brookings Institution’s Hamilton Project.”

The Washington-based Economic Policy Institute (EPI) said that at the October rate of job-creation, it would take 20 years to get back to the pre-recession (December 2007) unemployment rate of 5.0 percent. To lower the jobless rate to 6 percent by 2013, the EPI wrote, the economy would have to add 350,000 jobs every month.

There are no prospects for such levels of job-creation any time soon, and the Obama administration has rejected any serious government initiatives to create jobs. Even before the Democratic debacle in Tuesday’s midterm election, Obama ruled out public works projects to put the unemployed back to work, and with the Republican takeover of the House of Representatives and gains in the Senate, the White House is preparing to drop even token

stimulus proposals and pivot to cuts in social spending combined with more tax cuts for the wealthy and for business.

In a White House statement on the jobs report, Obama signaled his readiness to meet the demands of the corporate-financial elite for even more business-friendly policies, to be promoted in the name of creating jobs. “I am open to any idea, any proposal, any way we can get the economy growing faster,” he said, “so that people who need work can find it faster.”

This, of course, is a lie. Obama, both the Democratic and Republican parties and the entire political establishment exclude any policies that challenge the wealth of the ruling elite. On the contrary, Obama defines “job creation” as being synonymous with the growth of corporate profits. Nothing that does not directly contribute to heaping up more earnings for big business is permissible.

Obama all but said as much when he unabashedly presented his upcoming four-nation trip to Asia, where he will be accompanied by a retinue of corporate CEOs, as an exercise in dollar diplomacy. “And that’s why on the trip I’m about to take,” he declared, “I’m going to be talking about opening up additional markets in places like India, so that American businesses can sell more products abroad in order to create more jobs at home.”

In reality, the administration’s pledge to double US exports in five years is predicated on keeping unemployment high. This is required to blackmail US workers into accepting ever more draconian cuts in wages and benefits, so as to narrow the labor cost differential between American workers and their brutally exploited counterparts in Asia.

While the employment report showed an overall increase in payrolls, it reflected the continuing social and economic disaster in the US. The total number of unemployed workers, according to the government, is

14.8 million. When those who have stopped looking for work and those working part-time but desiring full-time employment are added, the figure rises to nearly 27 million, or 17 percent of the workforce.

The number of long-term unemployed—those out of work for 27 weeks or more—increased in October by 83,000 to 6.2 million. These workers make up 41.8 percent of the total number of jobless people. This percentage is down from a high of 46 percent in May, but the decline is likely the result of people dropping out of the labor force after having exhausted their unemployment insurance benefits.

The EPI estimates that there are some 3.9 million “missing” workers who are not accounted for in any of the jobless statistics given out by the government. These are workers who have been driven into destitution by the crisis, and their ranks are rapidly expanding.

As the *Wall Street Journal* noted on Friday: “The drop in the size of the labor force is likely an indication that many discouraged workers are just giving up. The labor force is only about 50,000 higher than it was in October 2009, but the population of working-age Americans who aren’t in the military or an institution, such as a prison or home for the aged, has increased by nearly two million people over that time.”

*MarketWatch* pointed out: “The participation rate—the percentage of adults who are working or looking for work—fell to 64.5 percent, the lowest in 26 years. The number of people who are too discouraged about their job prospects to even look rose to the highest on record.”

Virtually all of the private-sector job gains were in service industries, with only mining and construction in the productive segments showing small rises of 8,000 and 5,000 jobs respectively. Manufacturing declined by 7,000.

The biggest jump was in temporary help services, which gained 35,000 jobs. Health care added 24,000, retail gained 28,000, and food services expanded by 24,000.

Employment in arts, entertainment and recreation fell by 26,000.

A report on pending sales of existing homes released Friday by the National Association of Realtors pointed to the continuing underlying weakness of the economy. The group’s Pending Home Sales Index for September unexpectedly fell 1.8 percent from its level in August, when it rose 4.4 percent.

The drumbeat of layoff announcements continues unabated. The following is a partial list of layoffs of more than 100 announced just since the beginning of November:

- State of New Jersey—1,200 jobs
- Wisconsin-based Kohler Co.—750 jobs
- Saint Barnabas Health Care System in New Jersey—up to 690 jobs
- Massachusetts-based Biogen—650 jobs
- Wireless operator Clearwire Corp.—630 jobs
- St. Louis-based Smurfit-Stone Container Corp.—450 jobs
- Tucson, Arizona City government—400 jobs
- Chicago-based companies, including Rail Terminal Services, Illinois Quadel Consulting Corp., Asset Acceptance LLC and Villa Olivia Country Club—approximately 550 jobs
- Massachusetts-based Charles River Labs—300 jobs
- Wireless customer call center Sitel in New York state—267 jobs
- Harrah’s Horseshoe Casino and Hotel in Tennessee—200 jobs
- Jack Cooper Transport in Louisville, Kentucky—195 jobs
- Wind turbine maker Suzlon Group in Minnesota—110 jobs
- Saint Clare’s Health System in New Jersey—100 jobs

The social disaster may be compounded at the end of November when federal emergency unemployment benefits expire. If the lame duck Congress fails to pass an extension—a more likely outcome following the Republican victory in Tuesday’s election—2 million people face being cut off of unemployment benefits in December alone, according to the National Employment Law Project.



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