As unemployment rate tops 9.8 percent

27 million hit by US jobs crisis

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The US unemployment rate rose to 9.8 percent in November, the highest in seven months, and an indication that the economic slump that was triggered by the September 2008 Wall Street crash has far from run its course.

November was the 19th consecutive month that more than 9 percent of the labor force were out of work, the longest span since the federal government began reporting such figures after World War II.

The number of workers classified as unemployed rose back above the 15 million mark in November, to 15.1 million. Of these, 6.3 million have been out of work for more than six months. The average time spent out of work before finding a new job rose to 33.8 weeks.

An additional 2.5 million people are classified as "discouraged" or "loosely attached" to the labor market, because they are not actively seeking work, and another 9 million more are working only part-time when they want full-time jobs.

This brings the total number of people directly caught up in the jobs crisis to a staggering 26.6 million people, some 17 percent of the working population, or one out of every six adults. When their families are included, the total number of Americans directly impacted by mass unemployment is well over 100 million.

The plight of the unemployed is set to worsen dramatically this month, with the expiration of federal extended unemployment benefits on November 30. Some 2 million unemployed will lose their benefits by December 31, and a total of 7 million will lose benefits over the course of the next year.

There are currently 3.87 million jobless receiving "traditional" state-funded unemployment benefits, usually limited to a total of 26 weeks, and 4.9 million on federal extended benefits, for a total of 8.77 million.

The details of the November jobs report show an across-the-board economic stagnation. Nearly every significant economic sector actually cut full-time, permanent jobs; while there was a net job increase of 39,000, this was accounted for entirely by the 40,000 increase in temporary jobs.

Retailers cut 28,000 jobs in the month leading up the Christmas shopping season, a clear indication that they expect no significant upsurge in consumer spending. Manufacturers slashed 13,000 jobs, construction cut 5,000 jobs and financial services firms eliminated 9,000 jobs. Federal, state and local government cut 11,000 net jobs.

Only a few sectors showed increased hiring: 19,000 new jobs in health care, mainly at hospitals; 6,200 new jobs at private educational services companies, which have benefited from the attack on public education spearheaded by the Obama administration; 11,000 more jobs in the leisure and hospitality industries, which cater largely to the affluent.

The jobless rates for minorities and young people were considerably higher than the national average. Sixteen percent of blacks were unemployed, along with 13.2 percent of Hispanics and 24.6 percent of teenaged youth.

Despite the claims that education is the key to finding

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a good job, the unemployment rate for college graduates stood at all-time high of 5.1 percent last month.

Other economic indicators showed a downward trend. New factory orders for October fell by the largest amount in five months, propelled by a sharp drop in aircraft orders. Manufacturing and construction combined have lost jobs for the past four months.

In another sign of the crisis in the job market, NBC News reported Friday night that Delta Airlines had advertised for 1,000 new flight attendants and received more than 100,000 applications from desperate job-seekers.

The Obama administration issued a perfunctory statement trying to spin the dismal jobs report as a continuation of economic progress. Austan Goolsbee, the top White House economic adviser, said that it was "important not to read too much into any one monthly report."

He added, "Although the overall trajectory of the economy has improved dramatically over the past year, there will surely continue to be bumps in the road ahead such as this." He also claimed that the increase in private sector payrolls of 50,000 (minus the 11,000 cut in government jobs) was "continuing 11 consecutive months of private sector job growth."

Both Goolsbee and Congressman Eric Cantor, the House Republican Whip, pointed to the jobless numbers as an argument for extending the Bush tax cuts, which expire December 31.

Goolsbee urged an extension of extended unemployment benefits as well as the tax cuts, while Cantor focused on the tax cuts for the wealthy. "Congress should reassure job creators and investors by taking the impending tax hikes off the table," he said.

Cantor is openly voicing the blackmail demands of big business and the wealthy that they get further tax breaks before they will permit any increase in employment. The major US corporations and financial institutions are sitting on trillions of dollars in ready cash—much of it derived from the Obama and Bush bailouts of Wall Street and the auto industry—but refuse to expand hiring.

Corporate profitability has been restored to pre-crash levels, with American companies raking in a record $1.6 trillion in profits in the third quarter, but there has been no restoration of jobs and incomes for the working people whose labor produces all the wealth of society.

While the corporate-controlled media and Democratic and Republican politicians blather on about the private sector being the engine of economic growth, total US private employment is no higher today than it was 10 years ago. US private employers—the "job creators" in the parlance of Cantor and Obama—have created zero net jobs over the last decade.

The jobs crisis thus represents a failure, not just of the Obama administration, but of the capitalist class and its profit-based economic system as a whole. For the tens of millions out of work, as well as those still on the job, who face the ever-present threat of layoff, the solution must lie in a political struggle against capitalism, for a socialist program that will put people to work regardless of private profit.

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