

The jobs crisis in America

Andre Damon
30 May 2011

Amid the worst mass unemployment in the United States since the 1930s, states throughout the country are cutting benefits to jobless workers. Arkansas, Michigan and Missouri have already implemented cuts to unemployment payments, and Florida, Pennsylvania and South Carolina are preparing to do so.

Michigan and Missouri have cut the usual 26 weeks of state-financed unemployment payments down to 20. The Florida state legislature, meanwhile, has passed a law that would cut benefits to as low as 12 weeks, depending on the official unemployment level in the state.

These vindictive and punitive measures—which threaten jobless families with destitution—are part of an ongoing drive by the ruling class, led by the Obama administration, to eliminate every social gain won by the working people of America.

They come at the same time as government austerity measures, the closure of schools, cuts to Medicare and Medicaid, and the layoff of hundreds of thousands of government employees on both the state and federal levels. The ultimate aim is to create conditions in which millions of people have no access to even the most basic government assistance, to create such levels of economic desperation that workers will take any job, at any wage.

Whatever the talk of an “economic recovery,” the jobs situation is disastrous. Eighteen states and the District of Columbia had official jobless rates of 9 percent or more in April, while real unemployment is much higher. There are currently 24 million people in the United States who either want to work but can’t find it, or are working part-time involuntarily. This figure is larger than the populations of Chile or the Netherlands, and is twice the population of Cuba.

Some 5.8 million US workers have been out of work for over 27 weeks or more. Economists estimate that one million people lost all federal unemployment

benefits last year after being unable to find work for 99 weeks. Nearly two million people total are among this group of “99ers.”

The portion of working-age people who are employed is 58.5 percent, the lowest level since 1983. This means that the transformative effect of women entering the labor force over the past two-and-a-half decades has been fully counterbalanced by the disastrous rise in unemployment. The employment-population ratio for men is at its lowest level in records dating back 40 years, and no doubt longer.

In another period, such conditions would have been treated as a national scandal, and the political establishment would have felt some obligation to take government action. On January 11, 1944, as the United States was wrapping up the war in Europe, Franklin D. Roosevelt gave an address to Congress, in which he proclaimed that the political rights guaranteed in the American Constitution had proved inadequate, requiring an “economic bill of rights.”

The first of this “Second Bill of Rights,” said Roosevelt, was that to “a useful and remunerative job in the industries or shops or farms or mines of the Nation.”

Roosevelt’s proposal was dead on arrival. American capitalism proved incapable of eradicating poverty and unemployment, even in boom years of the postwar period. But for decades afterwards, American politicians gave lip service to the concept of full employment as a basic goal of domestic policy.

Unemployment insurance was introduced in some states in 1932 and expanded throughout the country in the 1930s, in response to the Great Depression. This was part of a general program of social reform driven in no small part by fear within the ruling class of social upheaval and revolution. Roosevelt himself was speaking only a few decades after the Russian Revolution.

The entire direction of American policy today is toward the elimination of whatever remains of the reforms of the postwar period, including unemployment benefits. The political establishment has abandoned even the vaguest suggestion that people have the right to a job.

This past week, the administration released the centerpiece of its new “jobs” policy—a program of corporate deregulation to eliminate existing constraints on corporate profit. The extra profit, Obama claimed, will be used to hire workers. This under conditions in which corporations are sitting on the largest cash hoard in history, refusing to hire, waiting for wages to come down even further.

The cause of this transformation is to be found in the transformation of American society. The industrialists of Roosevelt’s age were people who largely made their money from the productive process. But in the past two decades, under conditions of economic decline, the American ruling class has split its attention between dismantling domestic industry and creating the giant Ponzi scheme that toppled in 2008.

The American ruling class has pursued a policy of deindustrialization, with banks flourishing to the point where, by the late 2000s, finance and real estate generated 40 percent of all corporate profits.

The vast increase in the wealth of the financial aristocracy over the past three decades has been bound up with this process. Now, three-and-a-half years after the beginning of the recession, not a single social program or measure to alleviate unemployment has been introduced. Instead, the economic crisis has been seen as an opportunity to throw back the conditions of the working class a century.

Obama, in his 2010 State of the Union address, pledged to double exports within five years. The only way this will be possible is through the reduction of wages to the point where they compete with those of the developing world. The driving force in this transformation is high unemployment, which is forcing workers throughout the country to accept lower and lower wages.

These conditions are not unique to the United States. In all the major capitalist countries, the ruling class has embarked on a program of austerity aimed at forcing workers to pay for the economic crisis.

The right to a job, with a livable income, is a basic

social right. Indeed, as the program of the SEP states, “the right to employment is the most basic of all,” as “without a steady, good-paying job, it is impossible to satisfy all other needs.” The fight of workers to realize this right, however, brings them into conflict with both the Democrats and Republicans, and with the capitalist system that they defend.

The Socialist Equality Party calls for a public works program to ensure a high-quality job for everyone. There is no lack of work to be done. The social infrastructure of the US lies in ruins. Roads and bridges are in a state of disrepair, and the public transportation system is unreliable where it exists at all. As the most recent bout of tornadoes has revealed, millions of people live in ramshackle mobile homes that leave them exposed to the elements. The country’s levee and flood prevention system are so archaic that entire cities can be inundated with water, like New Orleans was in Hurricane Katrina.

To implement such a program requires not only the seizure of the wealth of the financial and corporate elite, but the transformation of all the major corporations and banks into publicly owned enterprises, under the democratic control of the working class.

Andre Damon



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact