

The Democrats and the US jobs crisis

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The most basic indicator of the social calamity facing millions of people in the United States is the persistent, and in fact worsening, jobs crisis.

Millions of jobs have been wiped out since the crash of 2008 three years ago. Long-term unemployment remains at highs that far exceed anything since the Great Depression of the 1930s. Some 14 million people in the US are officially unemployed, and an additional 11 million people have given up work or are involuntarily working part-time.

The only reason that the official unemployment rate is not much higher than the current 9.1 percent is because millions of people have given up looking for work or no longer qualify for unemployment benefits. In cities like Detroit, real unemployment is as high as 50 percent.

An entire generation of young people is entering the labor force with no prospect of gaining a decent-paying job. According to the latest Kids Count study, 31 percent of children throughout the country—or 32.1 million children, up 2.9 million from a year before—lived in families where no parent had a full-time, year round job in 2009. This figure is 47 percent for African Americans.

These conditions are set to get much worse. Among a number of bleak economic indicators driving the financial markets down sharply on Thursday was a jump in weekly unemployment claims back above 400,000, a sign of a deteriorating jobs market.

In the midst of this social calamity, the American political establishment, led by the Obama administration, has absolutely nothing to offer. The entire focus is on slashing trillions of dollars in social spending, ripping up health care, education and pension programs, and vastly increasing the exploitation of the working class as a whole. The turmoil on world markets reflects at least in part the realization that the impact of this policy, which is being implemented

internationally, will mean a renewed global downturn, and even a world depression.

The political bankruptcy of the ruling class was only underscored this week in the announcement that president Obama would give an address early next month on jobs. The president will propose a few paltry measures tailored to the interests of big business, including tax breaks, an overhaul of patent law and free trade agreements, along with a token increase in spending on infrastructure.

One proposal is expected to focus on “rebuilding schools,” but in the unlikely event that such a measure is passed, whatever funds are directed to this purpose will be dwarfed by the impact of budget cuts at the state and local levels, which have shut down hundreds of schools and eliminated tens of thousands of jobs.

Obama will also call for “tax reform,” by which is meant a significant reduction in corporate taxes and taxes for the wealthy, combined with the elimination of tax deductions that benefit broader sections of the population.

The centerpiece of Obama’s speech, however, is to be the call for even greater cuts in federal spending. A “super committee” of Republican and Democratic Congressmen is tasked with finding \$1.5 trillion in cuts over the next decade as part of the agreement reached between Obama and House Republicans earlier this month. Obama will present a plan along the lines of the “grand bargain” he temporarily reached with Republican House Speaker John Boehner in July, amounting to \$4 trillion in cuts over a decade.

In his Midwest tour this past week—supposedly focused on “jobs”—Obama again stressed the need to cut federal health care and retirement programs, including Medicare, Medicaid and Social Security.

Aside from the social impact of cutting benefits for millions of people, these austerity measures will only compound the jobs crisis. As Obama ended his trip

through rural regions in the Midwest, for example, a spokesman for the Coalition to Protect Senior Care noted that “cuts to Medicare and Medicaid” will “undermine America’s rural jobs base since Medicare and Medicaid are more than just vital health programs, but also key rural economic drivers.” The health care industry presently employs about 14 million people.

Obama endlessly repeats the refrain that the “private sector” is the engine of jobs growth, even as corporate America sits on trillions of dollars of cash reserves accumulated on the basis of record wage cutting. He reiterated this week his insistence that an end to the recession “isn’t going to be driven by Washington,” that is, there will be no federal jobs program to put people to work.

In response to Obama’s lurch to the right, the “left” factions of the political establishment are doing what they can to preserve the control by the Democratic Party. This month, the Congressional Black Caucus, a section of the Democratic Party, has sponsored a series of jobs fairs, including one attended by about 5,000 workers in Detroit on Tuesday. Those who are turning out for these events are finding that there are in fact no jobs to be had. The cynical charade is intended mainly as a backdrop for promoting Obama and building up for the election campaign in 2012.

The CBC itself has nothing to propose to resolve the jobs crisis. It has presented a series of legislative measures as a supposed jobs program, consisting largely of various training programs or tax measures. It is notable that no one in the Democratic Party, even among its supposed “left” factions, is capable of speaking of a “public works” program.

The pseudo-left in the United States attempts to maintain the subordination of the working class to the Democratic Party by claiming that Obama is merely bending to the intransigence of the Republicans and the Tea Party elements. This is entirely false. There are no fundamental differences between the two parties of big business. Indeed, the ability of such reactionary forces to posture as advocates of “job creation” is due entirely to the right-wing policies of the Obama administration itself.

The Socialist Equality Party calls for a multi-trillion-dollar emergency jobs program to put millions of people to work. Such a program must be funded through a massive increase in taxes on the rich, the

expropriation of the vast sums that have been monopolized by a tiny layer of the population and are currently dedicated to financial speculation.

Even the most minimal reforms, however, let alone the type of measures required to address the social crisis, pose revolutionary tasks. The rights and interests of the vast majority of the population stand in irreconcilable conflict with the demands of the financial elite and the capitalist profit system they defend. The wealthy control every element of economic and political life. This control must be ended, through the establishment of a workers government and the transformation of the corporations and financial institutions into democratically controlled enterprises, operated on the basis of social need.

As the economic situation in the United States and internationally enters a new tailspin, the pressing task is the building of an independent socialist movement of the working class.

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