

South Carolina jobless up 10,000 in one month

A reporter
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South Carolina's unemployment rate jumped to a seasonally adjusted rate of 10.9 percent in July, up almost half a percentage point from June. The number of unemployed workers in the state rose by a staggering 10,360 in July, for a total of 236,420 unemployed. State officials attributed the increase to a combination of people moving into the state without jobs, the long-term unemployed renewing their job searches, and the influx of high school and college graduates into the job market.

Allendale County unemployment rose from 19.4 to 19.8 percent. According to the US Census Bureau, the poverty rate in Allendale County was 39.7 percent in 2009, compared with 17.1 percent statewide. Marion County's unemployment rate held steady at 20 percent in July. Thirty-eight of the state's 46 counties have double-digit unemployment and there are currently about five potential jobseekers for every job opening.

Government agencies decreased their total number of positions by 13,600 last month, while the number of manufacturing positions grew by 1,800. This growth in manufacturing, which represents an increase of 10,700 jobs from the same month last year, has not made any dent in overall unemployment, which stood at 10.7 percent a year ago.

A WSWS reporter spoke with unemployed workers leaving the job bank at the South Carolina Department of Employment and Workforce in Columbia, South Carolina. Lee Thompson, 42, said he has been unemployed for two years, and starting in January he lost his eligibility for unemployment benefits. He said that "the way the economy is, it is ridiculous" that there is no help for people like him who are broke and out of work.

Thompson came to the unemployment office to obtain a transcript saying that his benefits had stopped, so that he can prove he is not intentionally dodging child support

payments. He is paying all he can by doing odd jobs. "We need to stop spending all this money on war, gas, troops in other countries and focus on [unemployment] at home," he said. "After the soldiers did all that damage over there or whatever they're doing, they want us to go over there and repair what they did."

Margaret Rivers, 65, told the WSWS that she last worked as a certified nurse assistant just under a year ago, but that even then she was only able to get four hours of work a week. This was the fourth time this month Margaret had visited the unemployment office.

Her unemployment benefits were stopped four weeks ago when it was discovered the company for which she had been working had not fired her or laid her off; she was still on the payroll, but was no longer being given clients. Margaret is trying to get the unemployment office to reopen her case to resume unemployment benefits so that she can cover living expenses for herself and her disabled son.

In the meantime, her son's SSI benefits are not sufficient to cover groceries, gas, rent and utilities. She owes \$460 in rent each month, and July's electric bill, which she has to pay later this month, is \$300. The average maximum daily temperature in Columbia this July was 98.4 degrees.

Forty-three-year-old Purvis Richardson was interviewed by Columbia's newspaper the *State* as he left the S.C. Department of Employment and Workforce office in Orangeburg County, about 35 miles south of Columbia.

"People around here, they're struggling. People are stealing the manhole covers—it's just that bad around here now," he said. "You got people running to these scrapyards, trying to sell anything, man. That's why you see people tearing up \$20,000 air-conditioner units for \$50 worth of copper. It's that bad."

Richardson has not worked since 2009, when he lost his job of 10 years at a food-processing plant. The unemployment rate in Orangeburg County was 16 percent in July, up an entire percentage point from the previous month.

South Carolina has been pursuing industry aggressively with enormous tax incentives. *Forbes* has ranked South Carolina as one of the most business friendly states in the US. Business Facilities also recognized South Carolina for its taxpayer-funded obeisance to corporate interests.

In addition to tax exemptions, abatements, moratoriums, credits and reductions for new and expanding companies, South Carolina has no inventory tax and has the lowest corporate income tax rate in the Southeast.

Area Development magazine gave South Carolina a Golden Shovel award in 2011. Explaining its reasons, the magazine quoted Proterra CEO Jeff Granato. “The efforts of state and local officials and economic development entities on our behalf far exceeded our expectations,” Granato gushed. The magazine also gave its Project of the Year award on South Carolina in 2011 for its work on a new First Quality Tissue manufacturing operation in Anderson County. First Quality Tissue chose South Carolina for its low regulatory burdens, and low tax rates and energy costs.

The South Carolina Power Team, the economic development alliance whose biggest member is the state-owned electric utility Santee Cooper, provides industry incentive rates, and loans and grants to new and expanding businesses. On its web site, it boasts about South Carolina’s right-to-work laws and low unionization rate.

The state government justifies its handouts to corporations as efforts at “job creation” in the face of competition with other states, even though private jobs growth is hopelessly inadequate in the face of growing unemployment.

When the Economic Development Competitiveness Act was signed into law last year, House Speaker Bobby Harrell said, “This outside perspective on job creation was created by private sector input, because it’s the

private sector—not government—that must lead us out of these difficult economic times. Listening to our citizens’ top concerns and recommendations from the private sector, they told us exactly what potential industries and existing businesses need to locate, grow and expand in South Carolina.”

In other words, representatives of private businesses were permitted to draft a tax incentive law essentially amounting to a raid on the state treasury.

At a meeting of the Southern Governors Association held in Asheville, North Carolina earlier this month governors met with representatives of private companies, supposedly to discuss solutions the dire jobs situation.

North Carolina’s Governor Bev Perdue cynically voiced distress about the legislature’s approval of cuts in state funding for education, which are primarily responsible for the loss of 11,800 local government jobs in July alone. However, Perdue’s practical proposals at the meeting were virtually indistinguishable from those of South Carolina’s Republican Governor Nikki Haley. In a particularly revealing comment, Purdue said that it would be impossible to eliminate taxpayer-funded incentives for businesses unless all states “unilaterally disarmed.”

South Carolina’s Republican dominated state legislature, the Obama administration and every state government in the country share the perspective that job creation must be tied to handouts private businesses. At the same time, the ruling class nationwide is pursuing a deliberate policy of high unemployment to drive down the wages of workers, while crippling state agencies and shutting down social programs that both employed and unemployed workers rely upon for their survival.



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