

Obama's phony "jobs" plan

Joseph Kishore
2 September 2011

Thousands of people lined up on Wednesday in Los Angeles in the hope of finding employment, yet another sign of the chronic jobs crisis in the United States, the worst by far since the Great Depression.

The jobs fair in Los Angeles was the culmination of a series held throughout the country, attracting a total of 20,000 participants. These events, sponsored by the Congressional Black Caucus, were intended not to provide jobs—the majority of employers were, at most, merely accepting applications—but to bolster support for the Obama administration, as his poll numbers plumb record lows.

They cannot, however, mask the fact that neither the administration nor any section of the political establishment has anything to offer the millions of people out of work.

The dispute Wednesday between Obama and House Republicans over the timing of his "jobs" speech next week was telling. In a move without historical precedent, House Majority Leader John Boehner rejected a White House request for Obama to speak before a joint session of Congress next Wednesday, the same day as a Republican debate. The White House quickly backed down, agreeing to move the speech to the following evening.

The decision was a predictable act of cowardice in the face of Republican opposition, a defining feature of Obama's presidency. It was, at the same time, an expression of the entire strategy of the administration, which is aimed at reaching an agreement with Republicans to slash trillions of dollars in social spending while doing nothing to address the social crisis.

Obama's "jobs" proposal to be unveiled next week is consistent with this strategy. It will consist, according to a White House letter to congressional leaders, of a "series of bipartisan proposals that the Congress can take immediately...while still reducing the deficit and

getting our fiscal house in order."

The measures will likely include additional tax cuts for corporations, which are already paying lower taxes on higher profits than ever before; the extension of payroll tax breaks and unemployment benefits; and the completion of certain trade pacts. In addition, Obama is set to propose federal funding to rebuild schools. This latter measure is not only grossly inadequate to meet the need for jobs, but it is included largely for cosmetic purposes, with little prospect of actually being implemented.

The scale of the jobs crisis is staggering. The White House announced this week that it expects the unemployment rate to remain above 9 percent through 2012, longer than previously projected. This headline unemployment number, however, does not even begin to reflect the actual state of the US economy.

A more accurate figure is the percentage of the working-age population that is employed. This number has fallen from 63 percent in 2007 to 58 percent today, the sharpest drop on record. There has been no increase since the beginning of the "recovery." The official decline in the unemployment rate is due almost entirely to the fact that those who have stopped looking for work are no longer counted as unemployed.

Meanwhile, the average length of unemployment is at a record 40.4 weeks, a figure that continues to grow steadily from its level in January 2008 of 17.5 weeks.

Entire sectors of the workforce have been decimated. The number of manufacturing jobs in the US, according to the Department of Labor, stands at 12 million, down from 14 million in 2007 and 18 million in the 1980s. There are fewer manufacturing jobs in the US now than at any time since 1941.

The number of goods-producing workers as a whole has fallen from 24 million to 18 million in the past 10 years, and is at its lowest level since the 1950s. The number of construction workers had risen steadily for

most of the past 60 years, but since 2008 has fallen from just under 8 million to about 5.5 million, more than 25 percent.

Other sectors, including health care and education, are just beginning to feel the brunt of budget cuts throughout the country. Between July 2010 and July 2011, 156,000 local education jobs, including those of public school teachers, were wiped out.

The massive growth of joblessness is a product of the economic and financial crisis that began in 2008. This crisis, however, has deeper roots—in the long-term decline of American capitalism and the growth of a financial aristocracy that has a parasitic relationship to the economy as a whole.

The response of the ruling class to the financial collapse three years ago was to flood the financial system with cash. This had the impact of boosting the stock market and salvaging the bank accounts of the wealthy, but it has done nothing to create jobs. After transferring the bad debts of the banks onto public balance sheets, governments around the world are implementing social cuts, which intensify the plunge of the world economy into a new depression.

Far from seeking to address the unemployment crisis, it is welcomed by the Obama administration as an opportunity to sharply reduce wages and eliminate benefits for the working class as a whole.

Moreover, the token “jobs” measures from the Obama administration are intended primarily to pave the way for slashing trillions of dollars from federal health care and retirement programs, including Medicare, Medicaid and Social Security, while sharply reducing taxes on corporations and the wealthy.

The administration is pushing for the Congressional “super committee” tasked with cutting social programs to go beyond the \$1.5 trillion in cuts it is supposed to recommend by November. This week, Democrats and Republicans appointed as the staff director of the committee Mark Prater, the current chief tax counsel for Republicans on the Senate Finance Committee.

The selection of Prater is an indication that in addition to massive cuts in social programs, the committee will recommend “tax reform” advocated by both Republicans and the Obama administration. This would involve a significant reduction in taxes on corporations and the wealthy, combined with the elimination of tax breaks, including the mortgage tax

credit, that benefit broader sections of the population.

The inability of millions of people to find work, and the imperviousness of the entire political system to this fact, is perhaps the most telling expression of the failure of the capitalist system. At the top of this system stands a financial aristocracy that acts as a block to even the most minimal measures to address the needs of the vast majority of the population. The only way forward is through the independent political mobilization of the working class in the fight for socialism.

Joseph Kishore



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact