No end in sight for mass unemployment in California

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Nearly two years after the supposed end of the US recession, 10.9 percent of California's labor force is officially unemployed. A new study released by the Institute for Research on Labor and Employment at the University of California, Berkeley documents in detail stagnant job growth in country's most populous state.

California added only 1,500 jobs in January and 4,000 in February. The unemployment rate has been above 10 percent for three consecutive years, reflecting an employment situation that is significantly worse than the poor conditions prevailing throughout the country.

California lost 8.8 percent of all jobs during the recession that began in December 2007, and the state has since regained only 2.2 percent back.

By comparing data on normal population growth in the state and the projected level of future economic growth, the study predicts when California's labor market will return to the level of 2007. Given a "strong job growth scenario," this level of employment will be attained in 2018. In the event of a "moderate job growth scenario," it will not be reached until 2023.

Although this "moderate scenario" assumes sustained job growth well above the rate since June 2009, no "poor scenario" was included in the projection.

The "underemployment" or real unemployment rate—including those who have given up looking for work or who are working part-time involuntarily—has been above 20 percent for the past three years, and is far higher than the national average. Only 56 percent of the working age population in California is employed, down from 62.2 percent before the start of the recession.

Compounding the slow growth in jobs are the steep cuts in government employment, which have hit California particularly hard. More than 10,000 government jobs were cut in February. Local governments, which employ 11.6 percent of the state's workforce, laid off over seven percent of their employees between the beginning of the recession and February 2012. Also hard-hit is the construction industry, where employment has declined 33.6 percent since the bursting of the housing bubble.

Throughout the crisis, Democrats and Republicans have been united in cutting government jobs. At the end of March, California's Democratic governor Jerry Brown unveiled a plan to consolidate state agencies, eliminating 39 California government agencies and cutting thousands of jobs in response to the state's multi-billion dollar budget deficit.

The state's educational system has been particularly affected over the past several years, and schools have seen drastic cuts in funding. In 2010 and 2011, 41 percent of all local government job cuts were in the education sphere.

Despite the insistence of both Democrats and Republicans that the private sector is the only source of jobs, total private sector growth in California has amounted to only 1.9 percent since the end of the recession.

Further underscoring the illusory nature of this "recovery" is the decline in household income, which has dropped in California by 9 percent since 2007. Adjusting for inflation, household income is the same in 2012 as 1998.

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The fall in wages is only one component of the rapidly deteriorating living conditions of the working class. In 2010, the last year for which data is available, 6.1 million Californians, or 16 percent of the population, were living below the official poverty line, which grossly underestimates the true number of people facing poverty conditions.

Over the last decade, California's once world-renowned public education system has been decimated by unending budget cuts. University of California tuition has tripled in that time. On March 15, over 20,000 public educators have received preliminary layoff notices. The budget for K-12 education will likely be slashed later this year by $4.8 billion, barring voter approval of higher sales and income tax through a referendum this November. Regardless of the outcome of this vote, billions more will be cut from welfare assistance and health care.

Amidst this catastrophic situation, California boasts some of the most striking levels of inequality in the country. A separate study found that between 1987 and 2009, 35.5 percent of all new income went to the wealthiest 1 percent of the population, and 71.2 percent to the wealthiest one-tenth of Californians. The incomes of these wealthy individuals have mushroomed, while wage-earning Californians have steadily lost ground in real purchasing power.

Conditions in California are a grim expression of the economic and political reality of the United States. The capitalist crisis has become the occasion for a wholesale attack on the jobs and living conditions of the working class, spearheaded by a government that is in the pockets of the corporate and financial elite.