

# State and local cutbacks add to US joblessness and suffering

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News reports this week highlight the devastating cuts in state and local spending in the United States over the past three years. More than 650,000 government jobs have been eliminated since 2009, adding to the jobless rolls and deepening the economic slump in cities and towns around the country.

According to *USA Today*, state and local spending is down 0.8 percent this year, which is a 2.7 percent drop when adjusted for inflation. The newspaper reports that the austerity being imposed by state and local governments is the most stringent since the early 1980s.

By law, nearly all US states must balance their budgets each year, and the deadline for adoption of such budgets, usually July 1, was once the occasion for political controversy, all-night negotiation sessions, public fist-shaking and even threats of default.

In the recent period, however, Republican and Democratic legislators and governors have had relatively little difficulty in agreeing on cutbacks, and most budgets have been passed on time or even early, as in the case of New York state several months ago.

State officials of both parties, exemplified by New York Democrat Andrew Cuomo, have opposed tax increases on the wealthy. Instead they have secured the cooperation of union leaders to impose drastic concessions on public employees, while cutting basic services and hitting especially hard at education spending.

Republicans like Michigan Governor Rick Snyder have eagerly pushed austerity policies. Michigan, for instance, replaced \$307 million in general state aid to cities with a \$200 million program that must be used to improve efficiency.

Democrats, with the approval of the Obama administration, have been equally ruthless. California Governor Jerry Brown is now threatening to cut 15,000

state jobs. Hawaii Governor Neil Abercrombie cut teachers' pay and benefits. Connecticut Governor Dannel Malloy has secured even bigger concessions.

Democratic municipal officials have followed suit. In Cleveland, 500 teachers have been laid off, while the New Jersey state capital, Trenton, has eliminated hundreds of teachers, firefighters and other city workers.

According to the *New York Times*, 14 states will reduce aid to local governments this year, and a roughly equal percentage, more than a quarter of municipal governments, have planned layoffs this year in response to the ongoing cuts in state and federal aid.

Pennsylvania has cut 5,400 jobs this past year alone, but more layoffs are on the agenda. The city of North Las Vegas, Nevada, in a state that is among the hardest hit by foreclosures and unemployment, has reduced its workforce from 2,300 to 1,300 and plans to cut another 150 jobs.

More than half of the local government job cuts have come in the field of education, the newspaper reports. In Los Angeles, teachers' union officials, working with Mayor Antonio Villaraigosa, pushed through an agreement imposing furlough days, that will reportedly reduce the number of job cuts from 11,700 to "only" about 7,500.

The ongoing crisis facing public employees on the state and federal level reflects the nature of the global downturn, to which more and more economists are beginning to attach the word "depression." Unlike recessions of the 1980s and earlier, there has been no recovery for state and local governments. Continuing low property tax receipts, which are not projected to recover through the next several years at least, mean that "local government fiscal conditions will remain under pressure," in the words of an economist at

Moody's Analytics quoted by the *Times*.

Economists at Yale University, comparing the current crisis to previous recessions, have reported that under the previous pattern, state and local governments would have added at least 1.4 million jobs in the last three years, instead of shedding more than 650,000.

The crisis facing state and city workers exposes the charade of the Obama reelection campaign. The White House cynically doles out puny crumbs, such as his proposal to give the states an additional \$30 billion to hire teachers, police officers and firefighters.

This and other proposals, as inadequate as they are, will in almost every case never become law. Instead they are carefully calibrated talking points designed to "remind" voters of how much worse things could get under the Republicans. Meanwhile Obama continues to preside over economic deprivation on a scale not seen since the Great Depression.

His multimillionaire Republican opponent Mitt Romney, who recently denounced any plans for the hiring of new public employees, postures as the friend of the unemployed.

With Republicans and Democrats each pointing the finger quite correctly at the other, the fake promises and poses perfectly illustrate the nature and purpose of the two-party system, which is employed by the ruling class to divert the anger and struggles of the working class into safe channels that keep workers tied to the profit system.



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