

Obama touts economic “recovery,” steps up assault on workers

Andre Damon
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One day before President Barack Obama kicked off a speaking tour aimed at presenting himself as the champion of a “thriving middle class,” White House Press Secretary Jay Carney made clear that the administration would provide no federal funds for the city of Detroit.

The city’s emergency manager, Kevyn Orr, threw the city into bankruptcy last week in order to shred city workers’ pensions and health benefits and dismantle basic public services. In reply to questions from the press, Carney on Tuesday declared that the administration “is absolutely not” planning to provide financial assistance to the city, adding that the question of Detroit’s debt obligations would have to be decided by “local leaders and creditors.”

Detroit’s “local leaders”—including Orr, Detroit Mayor David Bing and Michigan Governor Rick Snyder—have been in continual contact with the Obama administration to coordinate their offensive against the working class. The bankruptcy of the former auto capital of the world will be used as a precedent to mount similar attacks, using unelected officials such as Orr and the bankruptcy courts, against workers’ pensions and health benefits in cities across the country.

Carney’s statement underscores the duplicitous character of Obama’s “jobs” speaking tour, which begins Wednesday with an appearance in Galesburg, Illinois. The White House will use the tour to posture as a defender of the “middle class,” even as it carries out sweeping attacks on social programs and the pensions and health benefits of public-sector workers, and hundreds of thousands of federal workers begin to lose one day’s pay a week as a result of furloughs imposed as part of “sequester” spending cuts.

Obama’s renewed public focus on economic issues,

like virtually every move the administration makes, is largely dictated by political calculations of the most cynical sort. The aim is to divert attention from the revelations of massive illegal spying by the government on the American people and the unpopular international manhunt and persecution of whistle-blower Edward Snowden.

Obama has adopted the catchphrase of “growing the economy from the middle out,” as opposed to the “winner-take-all approach” of the Republicans, as White House spokesman Jay Carney put it. With characteristic contempt for the intelligence of the public, Obama and his political handlers are seeking to conjure up vast differences in economic policy between the Democrats and Republicans, even as the two parties work hand in glove to impoverish the working class.

The administration’s insistence that it will not provide financial assistance to Detroit and its approval of Emergency Manager Kevyn Orr’s plans to slash the pensions and health benefits of Detroit city workers represent a continuation and escalation of a policy dictated by the corporate and financial elite.

The White House has already made clear that Obama will not advance any significant proposals to address mass unemployment and worsening poverty in his speech in Galesburg Wednesday. Instead, he will take the opportunity to praise his administration’s track record on the economy.

Any so-called “jobs” measures he does propose will be tailored to the interests of big business, including tax cuts and subsidies for corporations.

During Tuesday’s press conference, Carney bragged about the Obama administration having created 7 million jobs since the start of the economic “recovery.” This ignores the fact that the working age population has grown by 9.4 million during this time. The labor

force participation rate has fallen every year of Obama's administration.

The Obama "recovery" has in four years failed to recoup the jobs lost since 2008 by some 2 million. The National Employment Law Project reported last year that while the majority of the jobs lost during the 2008 crash were middle-income, 58 percent of new jobs created during the "recovery" were low-wage, paying between \$7.69 and \$13.83.

But while the economic situation for millions of people remains disastrous, life has never been better for the social layer Obama really represents. The speculators, swindlers and Wall Street mafia are, thanks to Obama's economic policies, enjoying record stock values and record profits. CEO pay is higher than ever, as is the chasm separating the rich and super-rich from everyone else. The incomes of the top 1 percent grew more than 11 percent between 2009 and 2011—the first two years of the Obama "recovery"—while the incomes of the bottom 99 percent actually shrank.

Meanwhile, Obama is pressing forward with his proposal, outlined in his budget for the next fiscal year, to slash \$400 billion from Medicare and \$130 billion from Social Security.

The goal of the Obama administration, working with the Republicans and local governments, is to roll back the living conditions of the vast majority of the population to levels not seen since the 19th century, prior to the advent of the eight-hour day, child labor laws, comprehensive public education, pensions, health benefits, workplace health and safety regulations, etc.

In response to the ruthless assault of the financial oligarchy, spearheaded by Obama, the working class must advance, no less ruthlessly, its own policy. We call on workers and young people to join the Socialist Equality Party and take up the struggle to break the power of the corporate and financial elite and reorganize society on the basis of social need, not private profit.



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