

US Congress, White House to allow jobless benefits to expire for 1.3 million

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In a display of cruelty and callousness, Congressional Democrats have made clear that they intend to allow federal extended jobless benefits for over a million long-term unemployed to expire at the end of the year.

Senate Majority Leader Harry Reid said that the jobless benefits extension would not be voted on this year in the Senate. Instead, he claimed that the Democrats would fight for a benefits extension next year. “We’re going to push here after the first of the year for an extension of emergency unemployment insurance when the Senate convenes after the new year,” Reid said Wednesday.

Reid blamed “Republican obstruction” for the decision to postpone the vote in the Senate to next year. This is a lie. As the Congressional Research Service notes, “The Senate gives its majority leader the primary responsibility for deciding the order in which bills on the calendar should come to the floor for action.” As Senate Minority Leader Mitch McConnell noted, “He’s the one in charge of the schedule.”

Instead of a vote on extended unemployment benefits, the Senate has allocated 30 hours to debate a nomination to the D.C. Circuit Court.

The elimination of unemployment benefits, which average about \$300 a week, even as the Federal Reserve continues to hand tens of billions of dollars to the banks every month, and as corporate profits and the stock markets are soaring, is a clear example of the class interests defended by the entire state apparatus. Whatever the declamations of “partisan gridlock,” the Democrats and Republicans are united on the basic interests of the corporate and financial elite.

The social consequences will be devastating—first of all for the 1.3 million who will be cut off immediately, since they have already exceeded benefits offered by the states. This includes 214,800 people in California,

86,900 in Pennsylvania, 43,800 in Michigan, 64,300 in Illinois, and 127,100 in New York. An additional 3.6 million people would be impacted in 2014. The cutoff of this limited economic assistance will translate into home foreclosures, bankruptcy, hunger and poverty.

Extending the program through next year would cost \$26 billion, according to the White House. This is a tiny fraction of what is expended on the military every year, and next to nothing when compared to the vast wealth of the corporate and financial elite.

The Democrats sent a clear signal that they intend to let extended jobless benefits lapse when they failed to make funding for the program a precondition for a budget agreement, which was announced Tuesday by US House and Senate negotiators. The agreement extends Medicare cuts, attacks federal workers’ pensions, and imposes regressive consumption taxes on air travel.

The bipartisan budget proposal is moving rapidly through Congress, passing a key House panel by a 9-3 majority. Republican leaders said the deal is expected to pass the House on Thursday before heading to the Senate next week, despite opposition from hardline conservatives. President Obama has said he will sign the agreement.

Pundits and media commentators are hailing the agreement as a “first step,” which sets the stage and political framework for a bipartisan agreement to slash Social Security and Medicare, the major federal health care and retirement programs.

By the White House’s own estimates, federal extended jobless benefits lifted 2.5 million people out of poverty last year alone. The White House also estimates that for every one person who receives extended jobless benefits, an average of two additional family members receive direct support.

Since the initiation of the Emergency Unemployment Compensation program in 2008, it has been renewed by Congress eleven times. Beginning in 2011, the program began to be pared back sharply. This took place at the same time as states throughout the country have been cutting back on the duration of benefits they provide, with some offering as little as 14 weeks.

These measures have led to a sharp increase in the number of people who are unemployed but do not receive benefits. In 2010, about two thirds of long-term unemployed people received benefits. That number had fallen to 54 percent by 2011 and was down to about 45 percent in 2012.

Now, only about one in three of the long-term unemployed receive benefits at all. This does not count those who have given up looking for work and are no longer counted as unemployed.

The decline in the official unemployment rate provides an entirely false picture of the real jobs crisis, since it does not take into account the sharp fall in the labor force participation rate. Long-term unemployment continues to plague the country. Currently 36 percent of the jobless population has been out of work for six months or longer. Prior to the 2008 crisis, the highest-ever recorded percentage of people out of work in the US for more than six months was 26 percent.

The government now estimates there are 4.1 million people who have been out of work for a half-year or more. According to the latest jobs report, the average duration of unemployment increased by more than a week in November, to 37.2 weeks, while the percentage of the jobless who have been out of work for more than six months hit 37.3 percent, up from 36.1 percent in October.

While the Democrats have sought to posture as opponents of cutting off extended jobless benefits, they have made a calculated decision to allow them to lapse, or even eliminate them altogether, potentially throwing millions of people into poverty.

The decision to allow federal jobless benefits to expire comes just a week after Barack Obama gave a speech in which he called income inequality the “defining challenge of our time” and declared that “over the course of the next year, and for the rest of my presidency” his administration would “focus all our efforts” on narrowing the gap between rich and poor.

Obama had the nerve to make these claims even as he

allowed the first-ever nationwide reduction in food stamp benefits to take place in November, backed Detroit Emergency Manager Kevyn Orr’s attempts to slash Detroit municipal retiree benefits, supported a budget that makes permanent over a trillion dollars in sequester cuts, and now is allowing federal jobless benefits to expire.

As George Wentworth, senior staff attorney at the National Employment Law Project, told the WSWS earlier this month, “Unemployment insurance benefits are intended to create a means for workers to feed their families while they get to their next job. When you have benefits that are less than it takes to find a job, it puts pressure on people to take a worse job.” The cuts in benefits will mean that workers will be pressured to accept far worse jobs than they had originally lost.

This is entirely of a piece with the overall strategy of the US ruling class and the Obama administration, which has sought to use the economic crisis resulting from the 2008 crash to drive down workers’ wages, boost corporate profits, and swell the assets of the super-rich.



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