

# Cutoff of jobless benefits caps year of attacks on US workers

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The Christmas cutoff of jobless benefits for 1.3 million long-term unemployed workers in the US is a stark expression of the cruelty and rapacity of the ruling elite and its two political parties. This brutal action is the culmination of a year of attacks on working people, in which social programs have been slashed by tens of billions of dollars, hundreds of thousands of government workers have been hit with unpaid furloughs, and food stamp benefits have been reduced for over 48 million people.

The impact of the cutoff will be enormous. In addition to the workers who immediately lose their federally funded benefits, another 3.6 million people are expected to exhaust their state jobless pay next year and be left without income as a result of the expiration of the federal extended benefit program. Taking into account family members who rely on these benefits, some fifteen million people face the elimination of a major part of their income in 2014.

In New Jersey, 90,000 people lost their jobless benefits Saturday, about 1 percent of the state's population, according to a report by the House Ways and Means Committee. In California, 213,000 people lost their benefits and another 325,000 are scheduled to exhaust their state jobless benefits by the end of next year, meaning that more than half a million Californians will see their cash income reduced to zero in 2014..

The cutoff of extended jobless pay comes despite the lack of any serious improvement in the job market. The portion of the population that has a job—58.6 percent—has remained virtually unchanged since the beginning of the so-called “recovery,” and is down by 4.4 percentage points since the period preceding the 2008 Wall Street crash.

Almost all of the improvement in the official

unemployment rate is due to workers dropping out of the labor force, and thus not being counted as unemployed. The Economic Policy Institute estimates the number of such workers to be above five million.

The decision to let jobless benefits expire is the result of a calculated policy carried out by the White House and congressional Democrats. By agreeing to a budget deal earlier this month that excluded an extension of the benefits, the Democrats ensured that the program would lapse before the new year.

Despite this, the Democrats have sought to posture as opponents of the benefit cutoff. House Minority Leader Nancy Pelosi on Friday called the failure to extend the jobless benefits “simply immoral,” and blamed it entirely on the Republicans. Pelosi herself signaled the demise of the benefits two weeks ago when, taking her cue from the White House, she retracted her previous pledge to oppose a budget deal with the Republicans that failed to extend the program.

The White House and congressional Democrats have submitted a bill to restart extended jobless benefits and called for a vote shortly after the New Year holiday. The bill, however, would extend the program for only three months, and, in line with an earlier proposal by the White House, include further restrictions on eligibility and the duration of benefits. Cuts in other social programs will likely be mandated to offset the cost of any extension of jobless pay.

Over a million workers were stripped of their jobless benefits just days after the Federal Reserve sent US stock prices to new record highs by pledging to keep its benchmark interest rate at near-zero for at least another year, guaranteeing virtually free cash to the banks and financial firms. At the same time, the Fed announced it would continue to pump tens of billions of dollars a month into the financial markets—even as the Obama

administration and Congress ratcheted up austerity measures targeting the working class.

The continuing windfall for the financial elite—which has driven up the S&P 500 stock index by 31 percent this year and fueled a surge in Wall Street bonuses—is the other side of the government’s policy of non-stop attacks on the living standards of workers.

The year 2013 saw an escalation in a social policy aimed at impoverishing ever-broader sections of the working class and transforming the US into a cheap labor platform for American business:

\* On March 1, \$85 billion in “sequester” budget cuts began, slashing tens of billions of dollars from antipoverty programs, education, and other social services, and forcing hundreds of thousands of government workers to take unpaid furloughs. Over 600,000 low-income women and children were cut off from the Supplemental Nutritional Program for Women, Infants, and Children; 125,000 families were deprived of federal housing assistance; and 1.2 million students were hit by cuts in education subsidies.

\* On May 22, the Chicago Board of Education announced that the city would shut down 49 schools in the largest single school closing in US history.

\* On July 18, Michigan Governor Rick Snyder and Detroit Emergency Manager Kevyn Orr, backed by the Obama administration, threw Detroit into Chapter 11 bankruptcy, setting the stage for the gutting of retirement benefits for tens of thousands of city workers and retirees and the sell-off of the collection at the Detroit Institute of Arts.

\* On October 1, the US government shut down for two weeks, furloughing hundreds of thousands of workers and suspending key government services.

\* On November 1, payments from the Supplemental Nutrition Assistance Program (SNAP), better known as food stamps, were slashed for 46 million people in the first across-the-board cut in food stamp benefits in US history.

\* On December 11, congressional Democrats and Republicans reached an agreement on a budget that will leave in place over a trillion dollars in sequester cuts over 10 years, while slashing the retirement benefits of federal workers and imposing regressive consumption taxes.

Meanwhile, the Affordable Care Act, popularly known as Obamacare, has been rapidly exposed as a

scam to slash health benefits for tens of millions of Americans and boost the profits of insurance and health industry corporations. It is already clear that companies across the country, as well as local and state governments, will use Obamacare to end their employee health insurance programs and force workers to purchase their own private plans. This will, in turn, pave the way for the dismantling and privatization of Medicare and Social Security.

All of these measures have been carried out with the full support of the trade union apparatus, which has done everything in its power to suppress resistance to the destruction of wages and living standards and keep working people tied to the Democratic Party.

The US ruling class has responded to the crisis that broke out in 2008 with an ever-escalating assault on all previous social gains of the working class, in an effort to make working people pay for the global breakdown of capitalism. This is not simply an American policy. It is mirrored in the policies of governments all over the world.

This raises the necessity of a struggle by the working class against the very foundations of the capitalist system. The working class must organize itself independently on the basis of a socialist program to restructure society to meet social needs, not private profit.

In an implacable struggle against the Obama administration, both big business parties and the financial parasites they serve, the working class must fight for political power and the implementation of revolutionary policies. The wealth of the financial swindlers on Wall Street must be expropriated and used to meet pressing social needs. The banks and corporations must be nationalized and placed under public ownership and democratic control.

The critical issue in 2014 is the building of the Socialist Equality Party as the new leadership of the working class to arm the coming mass struggles with a socialist and internationalist program.



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