US Senate fails to pass bill to extend unemployment benefits

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The US Senate failed to move forward with a three-month extension of federal unemployment benefits yesterday, leaving 1.7 million long-term unemployed workers without any cash assistance.

The vote on Thursday fell one short of the 60-vote supermajority required to end debate, with a handful of Republicans joining Democrats in supporting the measure. Even if the bill were to pass the Senate, it would still have to clear the Republican-controlled House of Representatives. Including family members, some 5 million people have been affected already by the December 28 expiration of extended benefits, a number that is growing by close to 1 million every month.

The Democratic Party and the Obama administration are engaged in a cynical charade over the benefits. The crisis facing the long-term jobless is seen as an opportunity to posture as opponents of inequality in the run-up to the 2014 mid-term elections. Even as the White House issued a statement criticizing Republicans for blocking the bill, the administration prepared to sign a bill that will cut food assistance by $8.7 billion over the next decade.

The cut-off of extended unemployment benefits at the end of last year was the result of a decision by the Democrats not to include an extension of the program in a budget deal worked out with the Republicans. “We know it’s a political game,” said Republican Senator Orrin Hatch, commenting on the Democratic maneuvers.

The two parties are engaged in behind-the-scenes negotiations over the jobless benefits, including discussions over other social cuts to pay for them and the introduction of changes that will further restrict access. Both parties are carrying out a strategy to use the unemployment crisis to blackmail workers into accepting poverty-level wages.

The proposal that failed in the Senate Thursday would have paid for the estimated $6 billion cost by reducing the amount of money corporations are required to pay into pension plans. This would have the effect of boosting corporate profits and increasing taxable income. The end result would be to short-change corporate pension funds, which would be used to justify pension benefit cuts in future years. This procedure is euphemistically called “pension smoothing.”

After initially putting on a show of opposing the Republican demand that any extension of jobless benefits be paid for elsewhere, the Democrats are now fully committed to balancing an increase in social spending with equal cuts targeting the working class elsewhere. “We have done virtually everything the Republicans asked,” Senate Majority Leader Harry Reid commented on Thursday.

Any extension will likely include further restrictions in eligibility and a reduction in the duration of benefits for those who qualify.

Also being discussed behind the scenes are proposals to “reform” the unemployment benefit system. In his State of the Union address last month, President Obama referred in passing to the need for “reforming unemployment insurance so that it’s more effective in today’s economy,” without indicating what reforms he was talking about. Various measures are being discussed, including stricter rules to force workers to accept low-paying jobs.

The failure to extend unemployment benefits comes amidst a continued jobs crisis. The supposed economic recovery touted by the Obama administration is a fiction, with the decline in the official unemployment rate due largely to the departure of millions of people

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from the labor force.

The civilian labor force participation rate currently stands at 62.8 percent, the lowest level since 1978 and down 4.5 percentage points from its peak in 2001. The overall employment-to-population ratio, another measure of real unemployment, stands at 58.6, only slightly higher than its post-2008 low.

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