

Coronavirus-driven slump has wiped out 22 million jobs in the US

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The US Labor Department reported Thursday that 5.2 million more workers had filed for unemployment last week, bringing the total number of claims in the last four weeks to an unprecedented 22 million. This marks the sharpest rise in unemployment ever recorded in the country and equivalent to all jobs created since mid-2009, the beginning of the official recovery from the Great Recession.

The unprecedented job losses come amid a wave of economic figures showing the shattering impact of the coronavirus epidemic on the American and world economy. On Wednesday, the Commerce Department reported the biggest monthly decline in retail sales since the figures were first compiled 30 years ago, 8.7 percent, more than double the previous monthly record, set during the 2008 Wall Street crash. Meanwhile the Federal Reserve reported the biggest decline in industrial production since the shutdown that followed the end of the Second World War in 1946.

Industries hit with full force by the coronavirus lockdowns suffered the worst. The US airline industry has collapsed, with just 4 percent of the typical number of daily passengers when compared to last year, as interstate and international travel has largely come to a halt. Big retailers are going out of business. Best Buy said it would lay off 51,000 store workers, 40 percent of the total, beginning Sunday. J. C. Penney failed to make a \$12 million interest payment on debts Wednesday, putting it 30 days from outright default.

The mass layoffs come as factories, restaurants, theaters, and most small businesses have been ordered closed by state governors to slow the spread of the deadly coronavirus, which has already infected over 670,000 in the US and killed more than 34,000.

While the states that remain epicenters of the disease—New York, New Jersey, Michigan and

Louisiana—are beginning to see some signs that social distancing has eased the growth in the number of cases, there are reports that COVID-19 is now beginning to hit other states as well as small cities and rural areas of the country, resulting in the closure of slaughterhouses and meat processing plants.

One month into criminally belated government initiatives to contain COVID-19, millions of people are desperate for money, missing payments on their rent, mortgages, and auto loans as well as credit card and student loan debt. Thousands have been lining up for hours in every city and community to receive much needed food aid, including members of the middle class who have never before had to rely on such support.

Economists project that the US and the world economy will suffer the worst contraction since the Great Depression of the 1930s. Retail sales and industrial output in the US have already collapsed by record amounts and are expected to fall further even if social distancing measures are lifted.

Even though the unemployment figures reported so far are unprecedented, suggesting a current unemployment rate of 17 percent, they still do not capture the scope of the crisis facing the working class and small business owners. The weekly filings were limited by the Easter holiday weekend and many workers still report that they are unable to file a claim due to overloaded call centers, crashing websites and archaic application systems. Contractors and workers in the “gig economy” face long delays in gaining access to unemployment payments, while millions of undocumented workers have no hope of any sort of government assistance.

People who are fired from their jobs are ineligible for any unemployment and those who have recently moved from one state to another are having great difficulty

filing. Every hurdle is placed in the way of workers to jump over in order to receive a few hundred dollars every week. It is estimated that as many as 35 million people could lose employer-paid health insurance due to the mounting layoffs. Nothing is being done for anyone who is not already rich.

The \$349 billion Paycheck Protection Program, which was ostensibly aimed at helping small business owners keep their employees on the payroll, has already been exhausted, leaving tens of thousands of business owners and their employees in the lurch. Meanwhile among the “small businesses” which have received multimillion-dollar loans through the program are giant conglomerates including Potbelly Corporation, which employs 6,000 people and operates 474 sandwich shops in the US and internationally, and Ruth’s Hospitality Group, which operates a chain of more than 100 steakhouses across North America and Asia.

Under these conditions millions are being given the option of staying home and starving or going to work and risking illness and death.

President Donald Trump, who yesterday released his plan for reopening the American economy, is seeking to use the desperation of workers and the middle class to his advantage to force open the economy after funneling trillions of dollars to the big banks and corporations, a move that will lead to tens of thousands more deaths from COVID-19. Protests organized by Trump supporters against Democratic governors in Michigan, Kentucky and North Carolina and other states demanding an end to the lockdowns are a particularly backward expression of the very real desperation millions now confront.

Workers should reject with contempt this framework and fight for the democratic distribution of trillions of dollars in social aid to every section of society which is being devastated by the pandemic.

What is required to meet the interests of workers without sacrificing their lives and the lives of their families to the profits of Wall Street?

1. Nationalize the banks and large corporations, redirecting the trillions which are being funneled to the rich to fully support workers and small businesses for the duration of the pandemic.

The \$6 trillion bailout authorized by the misnamed CARES Act, most of which has been funneled

immediately to Wall Street, would be enough to provide every man, woman and child in America with a check of roughly \$18,000. Instead, workers have had to wait weeks for a mere \$1,200 stimulus, with many more left to wait months for any sort of cash aid. Thanks to a tax provision of the act, the average multimillionaire who owns a pass-through company will receive \$1.6 million in stimulus. Billionaire Amazon CEO Jeff Bezos has cashed in on the pandemic, increasing his net worth by \$23.6 billion, enough to give every Amazon worker a bonus of \$31,000. The claim that there is no money for the needs of the working class has never been more of a lie.

2. No return to work for nonessential businesses, and safe working conditions guaranteed for all those who work in essential jobs until the pandemic is over.

If the lives of hundreds of thousands around the world are to be saved the coronavirus must be contained, until a vaccine is developed people have to maintain social distancing measures, which means keeping most businesses closed. Workers in hospitals, grocery stores, food processing, transportation and logistics must be given every possible protection from the coronavirus and provided full pay and have all health care costs covered if they get sick.

3. Full funding for testing, tracing and quarantine.

Testing for COVID-19 and efforts to control its spread are still criminally lacking in the United States. Hundreds of billions must be spent on developing, distributing and carrying out tests and subsequently tracing contacts of those who test positive and provide them with safe quarantine conditions. The answer to the historic economic crisis sweeping across the globe is not an immediate return to “normalcy” but a mass independent movement of the working class, leading behind it the best elements of the middle class, fighting for a reorganization of society to meet human need, not the rapacious and murderous needs of the profit system.



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