

Democrats torpedo \$15 minimum wage hike

Marcus Day**28 February 2021**

On Thursday, US President Joe Biden and the Democratic Party effectively ended efforts to raise the federal minimum wage to \$15 an hour as part of the COVID-19 stimulus package making its way through Congress. The federal minimum wage of \$7.25 an hour has not been increased since 2009, and the dropping of the raise will leave millions of workers in utter destitution.

The White House and congressional Democrats have falsely sought to present themselves as having their hands tied, holding up the advisory ruling of the Senate parliamentarian, Elizabeth McDonough, as an excuse. McDonough, an unelected official appointed to her role by the Democrats in 2012, ruled that the wage hike is not allowable in a bill using the budget reconciliation process.

But the decision by the Democrats to abandon the wage hike is one of choice, even preference, not necessity.

Vice President Kamala Harris, in her role as Senate president, has the ability to overrule the Senate parliamentarian. Or, if the Democrats had any inclination to press the issue, they could have fired McDonough and replaced her, as the Republicans did in order to move tax cuts through the Senate under then-President George W. Bush in 2001.

The Democrats have rejected these options out of hand, however. On the contrary, for weeks Biden has signaled his expectation—all but explicitly stating his desire—that the wage raise would not survive the Senate, and a White House official told CNN that the parliamentarian's ruling is viewed as a positive development, “clearing the way” for the bill, now set to be watered down even more in the Senate.

Some Senate Democrats, including Senate Budget Chair Bernie Sanders, have subsequently sought to save face by saying they are exploring utilizing tax incentives to encourage major corporations to raise

wages. However, such a proposal, in the unlikely chance it is approved by both the parliamentarian and all 50 Democratic senators, would inevitably be a toothless measure, exempting large sections of employers while subsidizing others.

Tellingly, Biden has shown that when it comes to defending the interests of US imperialism, he sees not the slightest need for deference to parliamentary or legal norms. While Democratic officials were taking to the airwaves to bemoan their powerlessness to overcome arcane Senate rules to raise the minimum wage, US missiles were raining down on Syria, in an attack ordered by Biden with no pretense of congressional authorization or respect for either US or international law.

Only weeks into the Biden administration, the Democratic Party is once again demonstrating its total subservience to the interests of the financial oligarchy and its opposition to any significant measures to address the needs of the working class.

The Democrats' predictable cynicism, duplicity and spinelessness over the \$15 minimum wage hike, a central campaign promise by Biden, at the same time exposes the bankruptcy of the perspective espoused by Bernie Sanders, Alexandria Ocasio-Cortez, the Democratic Socialists of America (DSA), and other pseudo-left promoters of the Democratic Party, based on the claim that it is a “lesser evil” that can be pushed to enact progressive reforms.

The \$15 minimum wage itself would have been a poverty wage, grossly inadequate to meet the cost of living in large portions of the US. The Democratic proposal would not have seen the federal minimum reach \$15 until 2025, by which point its buying power would have been even further eroded by inflation.

Had the federal minimum wage kept pace with inflation and productivity gains since 1968, it would now be at roughly \$24, underscoring the paltry

character of the \$15 proposal.

But even this meager amelioration of desperate social need has been shown to be virtually impossible to enact under both Democratic and Republican administrations, both of which subordinate every decision to the needs of big business and the financial oligarchy.

The current federal minimum wage of \$7.25—roughly \$15,000 a year before taxes for a single worker—amounts to starvation rations. The nearly 12 years since its last increase is the longest stretch without a rise in the history of the federal minimum wage, going back to the first enactment of a national minimum wage under the Fair Labor Standards Act of 1938, amidst the explosive class battles of the Great Depression.

The extended freeze of the federal minimum wage over this time is not an accident. The period following the economic crisis and recession of 2008-2009 was characterized by an enormous redistribution of wealth upwards, from the majority of the population to the top of society, carried out by the administration of Democratic President Barack Obama and accelerated under his successor, Republican Donald Trump.

Social inequality skyrocketed from 2009 to 2020, seeing the longest rise in the stock market in US history, with the S&P 500 market index more than tripling during that time, and total US billionaire wealth ballooning from around \$1.3 trillion to roughly \$4 trillion.

The dizzying runup in share values and the fortunes of the very richest have been based upon on two processes: First, the virtually endless supply of cheap money by the Federal Reserve and central banks, which has been vastly increased since the onset of the pandemic. Second, the dramatic intensification of the exploitation of the working class, exemplified by Obama's restructuring of the auto industry in 2009, slashing the wages of new-hires in half.

These low-wage conditions, perpetuated by both the Democrats and Republicans through the suppression of the minimum wage and other means, have become critical to the operations of American capitalism, the artificial inflation of stock values, and the maintenance and growth of the fortunes of the financial oligarchy.

The function of the so-called progressive wing of the Democratic Party, along with pseudo-left backers such as the DSA, *Jacobin* magazine and Socialist

Alternative, is to cover up this basic reality and convince workers and young people that progressive reforms can still be achieved under capitalism in general, and the Democrats in particular.

Sanders, Ocasio-Cortez and leading DSA members supported Biden in 2020, holding him up as an alternative to the reactionary policies of Trump. In campaigning for Georgia Democratic Senate candidate Jon Ossoff, Sanders presented Democratic control of the Senate as the road to far-reaching reforms, tweeting: "A \$15 minimum wage, fighting climate change and expanding health care are at stake in today's Senate runoffs."

It has taken less than two months for this claim to be exploded, as has every fraudulent political guarantee by Sanders before it. Biden and the Democrats are neither able nor willing to raise the living standards of workers, meaningfully address climate change, put a stop to the US war machine, or resolve any of the other major social problems confronting humanity.

In control of the White House and both chambers of Congress, the Democrats will aggressively defend the same fundamental class interests as their Republican counterparts, namely, those of the capitalist ruling class. This will entail both increasingly brutal attacks on workers domestically—including the attempts to reopen schools and workplaces while the pandemic continues—and predatory and potentially catastrophic imperialist aggression abroad, as the airstrikes on Syria last week show.

The only alternative is one that is based on the working class, the development of the class struggle, and a socialist program. The decimation of workers' living standards and the grotesque enrichment of the ruling class pose objectively the necessity of expropriating the oligarchs and placing the major corporations and banks under workers' democratic control and redistributing this immense wealth on the basis of social need, as part of the fight for socialism internationally.



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