As February jobs report highlights long-term unemployment crisis

Biden, Democrats agree to cut weekly jobless benefit by $100

Shannon Jones
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In a further cave-in to the right wing, Senate Democrats agreed Friday to reduce the weekly supplemental unemployment benefit in the Biden administration's coronavirus relief bill by $100 a week, from $400 to $300. This would leave unchanged the wholly inadequate level enacted under Trump, itself a 50 percent cut from the $600 benefit included in last March's CARES Act.

Only days before, Democratic leaders had presented passage of a $400 weekly benefit as a certainty. The latest concession to the Republicans and the most right-wing congressional Democrats came on the heels of Biden's decision to drop the income cut-off for receiving a one-time $1,400 stipend from $100,000 and $80,000, depriving millions of working class and middle-class families of desperately needed assistance. That, in turn, was preceded by the dropping of a $15 minimum wage from the bill.

The decision to cut the jobless benefit took place as the Labor Department released its February employment report. While showing a higher-than-expected increase in non-farm payrolls of 379,000 for February, the report documented a continuation of extremely high long-term unemployment and job losses among educators, miners and construction workers. The vast bulk of new jobs came in the leisure and hospitality sector, where wages are at poverty levels and exploitation is rampant. The spike in jobs in that sector reflects an accelerating process of recklessly reopening business in the midst of the still-deadly pandemic.

The move to slash the weekly supplemental benefit, which could cost unemployed workers close to $2,000, was presented as necessary to placate conservative Democrats, in particular, Senator Joe Manchin of West Virginia.

Late Friday afternoon, Manchin, essentially dictating terms to Senate Democrats, announced he would not accept a deal to trade the $100 weekly benefit cut for an extension of benefits to early October, rather than the current August 29 end date. In an outright provocation, Manchin indicated he might side with Republican Senator Rob Portman of Ohio to impose an earlier, July 18 cutoff of benefits. He also said he might not accept a Democratic proposal to sugarcoat the benefit cut by making the first $10,200 of unemployment benefits in 2020 tax-free. Manchin cynically cited the "good" jobs report to justify his opposition.

The unemployment report in fact reflected the continuing restructuring of the economy during the pandemic at the expense of workers. There were 355,000 new jobs in leisure and hospitality, while temporary help services added 53,000 jobs, health care and social assistance added 46,000 jobs, and retail trade added 41,000 jobs. Manufacturing added an anemic 21,000 jobs. On the other side, there was a sharp drop in construction, 61,000 jobs, and a drop of 69,000 in state and local government education.

The number of long-term unemployed, those out of work for 27 weeks or more, stood virtually unchanged in February at 4.1 million. Another key measure, the labor force participation rate, also remained steady at 61.4 percent, still well below the figure prior to the pandemic.

An economist cited by the *New York Times*, Drew Matus, chief market strategist at MetLife Investment Management, pointed to the fact that hours worked declined by about 18 minutes a week in February—a

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huge number of total hours when multiplied over the entire working population.

"The scale of the decline is quite big," Matus said. "This report tells me things are looking up if vaccine administration continues, but we're still not out of the woods yet."

February figures also showed a significant jump in the jobless rate for African Americans. Unemployment among black women over age 20 rose to 8.9 percent, up from 8.5 percent in January. The rate for black men older than age 20 increased to 10.2 percent, up from 9.4 percent.

The official unemployment rate has been kept artificially low by the fact that more than four million workers have dropped out of the labor force since the start of the pandemic. Fed Chair Jerome Powell said in February that the real unemployment rate is likely closer to 10 percent.

In the face of the reality of unrelenting economic hardship for millions, the debate on the coronavirus relief bill has demonstrated that the Democrats have effectively ceded control over the party to a handful of right-wing nonentities such as Manchin, catering to their every whim at the expense of millions of workers. For their part, more liberal forces like Vermont Senator Bernie Sander and Massachusetts Senator Elizabeth Warren have meekly accepted being sidelined, despite having won broad popular support in last year's Democratic presidential primaries.

Sanders and company have participated in the parliamentary charade orchestrated by the Democratic Party leadership. On Friday, Sanders staged an impotent and cynical effort to revive the $15 an hour minimum wage, but was voted down by a coalition of all 50 Senate Republicans and eight Democrats.

In a similar manner, Sanders and other "left" figures acquiesced to the sharp reduction in eligibility for the $1,400 stimulus checks, after initially making pro forma protests. For her part, New York Congresswoman Alexandria Ocasio-Cortez, a member of the Democratic Socialists of America, complained that by imposing the annual $80,000 income limit, the Democrats were "allowing Trump to give more people relief checks than a Democratic administration."

President Biden called the abandonment of key elements of the relief bill "some small compromises."

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