

Weak US jobs reports sparks calls for elimination of pandemic aid

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The surprisingly weak US jobs report Friday is being used to ramp up demands to eliminate pandemic-related social support measures in order to force workers back into unsafe workplaces.

The US Labor Department reported a net of 266,000 new jobs in April, dramatically lower than the one million new jobs that were expected by economists. In fact, Goldman Sachs economists had expected a total of 1.3 million jobs in April.

The Labor Department also revised downward its jobs total for March from 916,000 to 770,000. The unemployment rate, which had been expected to fall to 5.8 percent, instead edged upward to 6.1 percent. Nearly 500,000 filed for first-time unemployment benefits last week, still very high by historical standards. Overall, there are still more than 8.2 million fewer jobs than before the pandemic began.

The largest engine of new job growth in April was again leisure and hospitality, 331,000. This category includes businesses such as bars, hotels and restaurants that tend to pay lower wages. Manufacturing employment was down 18,000, largely in the auto industry where chip shortages have forced the temporary shutdown of some factories. Retail jobs fell by 15,000, and health care jobs declined by 4,000.

There were conflicting explanations for the dramatic fall off in new job creation under conditions where many pandemic restrictions have been eased or lifted. There were suggestions that it might be a statistical anomaly or that supply chain issues and worker shortages were a major factor.

However, from corporate interests, there were shrill complaints over the lack of able-bodied workers willing to work for paltry wages amidst a continuing pandemic. This was accompanied by demands for the ending of COVID-19-related social support measures.

On Thursday Senate Minority Leader Mitch McConnell blamed the Biden administration's stimulus package that was enacted by Congress in March for acting as an incentive for people not to work. The bill extended expanded unemployment benefits, including \$300 weekly additions to state unemployment benefits, and provided a one-time \$1,400 stimulus check for most Americans.

On Friday Republican Senator Marco Rubio tweeted: "I told you weeks ago that in Florida I hear from small business everyday that they can't hire people because the government is paying them to not go back to work."

Representative Kevin Brady of Texas, the top Republican on the Ways and Means Committee, said the jobs report demonstrated that the Biden administration was "sabotaging our recovery." He added, "The White House is also in denial that many businesses—both small and large—can't find the workers they need."

Also on Friday the US Chamber of Commerce called for an immediate end to the \$300 weekly unemployment benefit supplement. In a news release Neil Bradley, executive vice president and chief policy officer for the Chamber, said, "The disappointing jobs report makes it clear that paying people not to work is dampening what should be a stronger jobs market."

Already South Carolina and Montana have said they plan to end the federal supplement, and other Republican-controlled states have indicated they may do the same.

This follows the ruling Wednesday by a federal judge striking down the eviction moratorium imposed by the Trump administration and continued by the Biden administration through June 30. This was a key measure aimed at blunting the immediate impact of the mass layoffs and wage cuts triggered by the pandemic.

While the moratorium remains in effect as the Biden government appeals the ruling, it demonstrates the continuing movement toward ending pandemic-related support for workers.

Undoubtedly many workers are reluctant to return to unsafe workplaces or send their children to crowded schools while the pandemic is far from contained. For the super-wealthy, who do not face such issues, this is intolerable. As far as they are concerned workers should be forced to labor to create Wall Street profits under pain of starvation.

Pandemic-related concerns are still keeping millions from seeking work based on the well-founded concern over unsafe schools and workplaces. According to US Census Bureau Household Pulse surveys taken in late March, there were 6.3 million people not working because they needed to care for a child who was not in school or day care, and 2.1 million were caring for an older person.

Even so the US labor force is growing. There were an additional 430,000 workers either employed or looking for work in April, far more than the number of jobs created.

The suggestion that a paltry weekly supplement of \$300 is keeping hundreds of thousands of workers out of the labor force is a damning indictment of the low wage regime that exists in the US. Living standards have been stagnating or falling for decades under successive Republican and Democratic administrations amid a stupendous growth in the number of superrich and their total wealth.

According to the Labor Department wages rose by 0.7 in April and 4.8 percent in leisure and hospitality, hardly a princely amount but clearly enough to raise the hackles of the financial aristocracy.

The jobs report had a silver lining for Wall Street. The weak numbers sparked a stock market rally as bad economic news is welcome news, since it means that huge government cash infusions will continue to flow to the markets. The Dow Jones average rose 200 points Friday to a record high. The S&P 500 rose 0.6 percent to an intraday record high. The Nasdaq Composite rose 1.3 percent.

Bank of America had warned that a robust jobs report for April could hit the market hard if the US Federal Reserve had dialed back its asset purchases and other financial stimulus measures aimed at propping up the

markets.

For his part President Joe Biden reacted to the jobs report by issuing a statement calling for action on his infrastructure bill and American Families Plan, including child care subsidies and universal pre-kindergarten. These measures, aimed at deflecting the enormous anger in the working class over the criminal response of the ruling class to the pandemic, are insufficient in themselves to address the vast social crisis.

Whatever the tactical differences between Democrats and Republicans, all factions of the ruling class agree on the need to lift any restrictions on profit making. Schools must be reopened and measures adopted, whether the carrot or the stick, to get workers back into workplaces where they will be exposed to COVID-19.

While the Biden administration insists that the country is returning to pre-pandemic normalcy, the pandemic is far from over, with thousands in the US dying and hundreds of thousands getting sick every week. Millions are still unemployed and as ongoing strikes in the US demonstrate, workers are determined to resist the demands that they pay for the cost of the massive bailouts to Wall Street. The critical issue is the development of a socialist political leadership in the working class to provide this movement with a program and perspective.



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