US ruling class cuts off pandemic jobless aid, pushing millions over financial cliff

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On Monday, federal unemployment assistance programs related to the pandemic were allowed to expire in a deliberate move by both the Democrats and Republicans to cut off the sole source of income for millions of unemployed, and the millions more family members they support.

The result will be that many will be forced to accept whatever job they can find, no matter how low-paying, degrading or dangerous, or face being plunged into the social and financial abyss.

Coming in the midst of a re-explosion of the coronavirus pandemic driven by the Delta variant, with an average of over 160,000 new cases and 1,500 deaths a day, the termination of unemployment aid is nothing less than homicidal. The cutoff will inevitably fuel the spread of the virus, as millions are forced back into crowded workplaces where transmission is rampant, while forcing other sections of the population into utter destitution and homelessness.

Three programs ceased on Monday: one which provided benefits to gig workers, the self-employed and caretakers, who were previously ineligible for unemployment aid; another which increased the length of time benefits could be received; and a third which provided an additional $300 weekly payment supplementing jobless assistance delivered by the states.

Nearly 7.5 million people will be deprived of all unemployment income due to the expiration of the first two programs, while an additional 3 million will lose the $300 weekly supplement, leaving them with just the grossly inadequate state aid. In states which have been hardest hit by the pandemic recently, such as Mississippi and Louisiana, the maximum weekly jobless aid payment is less than even the paltry federal minimum wage of $7.25 an hour.

The reality is that many of those currently unemployed will simply not be able to find work of any kind for the foreseeable future. Economists estimate a shortfall of 6.6 to 9.1 million jobs in comparison to February 2020. Meanwhile, 8.4 million people were unemployed in August, and another 5.7 million were out of the labor force but wanted a job, according to the latest Bureau of Labor Statistics unemployment report.

The cutoff also comes as a new wave of temporary shutdowns, driven by the microchip shortage, grips the auto industry. The Big Three automakers have worked with the United Auto Workers union to employ increasing numbers of temporary workers, who receive only meager state aid while they are on layoff.

Millions are losing their only economic lifeline less than two weeks after the Supreme Court overturned the moratorium on rental evictions, threatening an estimated 11 million who were already behind on their rent. Another moratorium on foreclosure evictions is set to expire on September 30.

The end of federal jobless aid has been carried out with the support of the White House and both parties in Congress. President Biden had previously made clear his endorsement of the September 6 cutoff, stating in June that “it makes sense.” On Friday, he made only a perfunctory reference to the benefits expiration in the course of remarks on the weak August jobs report, while misleadingly claiming that state governments have the “federal resources” to extend benefits if they wish. No states, whether Democrat or Republican-led, have indicated they plan to do so. On the contrary, this summer over half of US states withdrew from federal unemployment programs early, citing “labor shortages.”

The cutoff has also received de facto support from so-called leading “progressives” in the Democratic Party,

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including Senator Bernie Sanders, who has kept his mouth shut on the expiration, and House Representative Alexandria Ocasio-Cortez, who said merely that her caucus was "looking into it" in a recent interview with Business Insider.

The termination of unemployment benefits is driven by the basic imperative which has determined the overall response of the US capitalist ruling class to the crisis triggered by the pandemic: profits must be safeguarded and increased to the maximum degree, no matter the cost in human lives and suffering.

There is now growing anxiety in ruling circles over signs that the working class is seeking to break out of the low-wage regime which has dominated for decades, enforced with the willing assistance of the pro-corporate trade unions. Media commentaries have appeared worrying over "wage inflation" (Bloomberg, *Forbes*) or even "wage rage" (*Time* magazine). At the same time, the media has blacked out those struggles which have most explicitly challenged the authority of the unions and threatened to spread to other sections of workers, including the five-week strike of Volvo Trucks workers earlier this year and the ongoing rebellion by Dana auto parts workers against a concessions contract pushed by the UAW and the United Steelworkers union.

Corporate America, always acutely sensitive to the growth of resistance or opposition in the working class, fears that any significant rise in wages would lead to the collapse of its debt-fueled speculative orgy on Wall Street. Thus, the ruling class is executing an all-out assault on what remains of the social safety net, with the aim of breaking the resistance of workers and drastically intensifying their exploitation.

As usual, the *Wall Street Journal*, the most unabashed mouthpiece of the financial aristocracy, has expressed more openly the thinking in ruling circles, stating in an August 10 editorial that extended jobless aid "is bad for employers that need workers, bad for the economy that needs more production." Unsatisfied with the cutoff of unemployment benefits—sadistically telling its readers to "hold the confetti"—a more recent editorial took aim at other supposed "disincentives to work," including the now-lapsed eviction moratorium, as well as state-funded health care and child tax credits.

A further indication of the calculations of corporate executives can be found in a recent *New York Times* article, "Wage gains remained strong in August as hiring slowed." The article cites comments by Jeff Owen, chief operating officer of the discount Dollar General store chain, who told investors on a recent earnings call, "As those states rolled off the enhanced unemployment benefits [earlier this summer], what we did see was an initial nice pickup in applicant flow and staffing." Owen, boasting over workers being forced by desperation to take Dollar General's $8 an hour or less jobs, received a compensation package of $5.6 million in 2020, an increase of 59 percent over the previous year.

The end of federal jobless aid goes hand-in-hand with the bipartisan effort to herd children and young people back into schools, an utterly reckless and criminal policy which threatens countless lives. The aim in both cases is to compel more people to return to the workforce, increasing the available labor pool and exercising downward pressure on wages.

The chief obstacle to addressing all the most burning social problems—whether the catastrophic impact of COVID-19, the dire poverty of the unemployed, or the degrading working conditions and low wages facing millions of workers—is the profit interests of the capitalist ruling class. At every step, the response to the pandemic and the associated economic crisis has been driven by the effort to protect the wealth and privileges of the super-rich.

To save lives, avert an even worse disaster and meet the pressing needs of the population, the diametrically opposite policy must be counterposed, based on the interests of the working class, the vast majority of society. Every measure must be taken to eradicate the pandemic, including the shutdown of non-essential production and in-person schooling, while providing full income support to all unemployed workers and affected small businesses, without regard for the impact to the ruling class' profits.

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