

Biden downplays disastrous September jobs report, touts pandemic “success”

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In response to another disastrous jobs report, President Joe Biden sought to present the payroll numbers, which were below even the anemic totals for August, as indicators of steady progress toward economic recovery.

Nonfarm payrolls in the US grew by a seasonally adjusted 194,000, down from 235,000 in August and far below the 500,000 jobs widely predicted by economists. The slack hiring came despite desperate attempts by the ruling class to “normalize” the pandemic by ending federal support for unemployed workers, including self-employed workers, and reopening the schools to enable parents to return to work.

Biden attributed the slower than expected hiring to the impact of the Delta variant, as though the horrific spread of the disease, which is killing close to 2,000 people every day across the US, was an entirely external event, unconnected to the homicidal reopening policy and abandonment of mitigation measures pursued by his administration since taking office.

He then tried to take credit for the recent modest fall in the number of COVID-19 cases and recent rises in wages, without mentioning the rising death toll or the sharp increase in the cost of living.

While the official unemployment rate fell to 4.8 percent in September, down from 5.2 percent in August, a more significant measure, the labor force participation rate, showed a slight decline from August. Significantly, this includes workers of prime working years, defined as 25 to 54 years old.

The leisure and hospitality sector, which had been a major driver of job growth since February, added only 74,000 jobs in September after an increase of just 38,000 in August. This is despite the fact that average hourly wages for restaurant workers now surpass \$15

for the first time, according to the US Bureau of Labor Statistics. Average hourly wages for leisure and hospitality workers rose to \$18.95 in September, up 10 cents from August.

The number of manufacturing jobs increased by just 26,000, down from 31,000 in August. Overall, the number of manufacturing jobs is down by 353,000 since February 2020, reflecting both the shortage of workers and global supply chain disruptions.

The August jobs report came as a shock to financial markets, which had counted on a resurgence of hiring to boost profits and underpin the massive debt bubble. The poor hiring numbers served only to intensify the drive by the ruling class to end any pandemic mitigation measures and drive workers back into the schools and factories.

To the horror of the corporate-financial oligarchy, not only are workers still refusing to accept low-wage jobs under unsafe conditions, a surge of workers’ struggles has broken out across the US, as workers reject miserable contract terms that employers and unions are trying to shove down their throats. Thousands of workers are already on strike, including 1,400 workers at Kellogg’s, Warrior Met miners in Alabama, and nurses in Massachusetts and Buffalo, New York. Tens of thousands more have taken or are taking strike votes, including 60,000 television and movie production workers and 24,000 Kaiser Permanente nurses in Northern California.

In contrast to the president’s sanguine talk, the financial press reacted with alarm to the September jobs figures. The *New York Times* wrote: “The combination of stagnant labor force participation and rising wages creates an alarming picture for economists and investors, one in which costs are increasing as the outlook for growth is increasingly grim. With fewer

people working and earning paychecks, the economy can produce less over time. And as employers must pay more to attract workers, they may have to increase prices to cover their rising costs, feeding into high inflation.”

The herd immunity policy of the Biden administration and all sections of the US ruling class has had the inevitable consequence of driving up the rate of infection and death, including among the most vulnerable layer of the population—children. According to one report, there were over 2,000 school closings due to COVID-19 across 470 school districts in 39 states through the middle of September, a number that has only increased since. State of Michigan health officials report that last week an average of 375 children under age 12 contracted the virus every day.

Despite the best efforts of the corporate media propagandists to present the pandemic as virtually over, the reality of widespread infection and death is generating continuing hostility and resistance to a return to unsafe workplaces. Compounding the difficulties faced by the ruling class in reopening factories are far-ranging disruptions to the global supply chain related to the pandemic, from the lack of computer microchips to the scores of ships sitting outside the port of Los Angeles, unable to unload.

Reports indicate the pandemic is the main reason that employers are having a hard time recruiting workers, both because workers are afraid of contracting COVID-19 and because of difficulties in securing childcare. According to US Labor Department figures, there were nearly 11 million unfilled jobs at the end of July, the highest on record and more than the number of unemployed workers seeking jobs. Total US employment is still down roughly five million jobs compared with February 2020. Some 2.7 million workers have been out of work for six months or longer.

The stock markets were mixed in response to the jobs report, ending a highly volatile week that saw large swings. The fear is that rising inflation may force the US Federal Reserve to raise interest rates despite stagnant job growth, potentially destabilizing the financial house of cards created by the endless pumping of government cash into the markets.

The signs of economic dislocation caused by the pandemic belie the empty-headed talk by the Biden

administration of an economic recovery. They also refute the rationale for ending pandemic-related assistance programs and the moratorium on evictions. As inadequate as these measures were, including expanded and extended unemployment benefits and a \$300 weekly supplement, they were all that were keeping many families above water.

Trying to change the subject from the jobs report, Biden boasted of the “progress” being made on his social welfare and climate bill. He noted the dismal state of infrastructure in the US as well as indices of social distress, such as lack of access to early childhood education. However, he failed to mention that his administration had capitulated to right-wing forces by massively scaling back the already inadequate \$3.5 trillion measure ostensibly aimed at addressing these ills.

Biden’s pitching of his budget and infrastructure bills was couched in stridently nationalist terms, directed largely against China. “These bills are not about left versus right, or modern [moderate] versus progressive, or anything else that pits Americans against one another,” he said. “These bills are about competitiveness versus complacency.”

As workers have learned through bitter experience, “competitiveness” is a catch-word for the sweating of ever greater levels of production out of workers and the evisceration of social benefits.

Every concessions contract rammed through by the unions has been defended on the grounds of the need for greater “competitiveness.”

The jobs report is a further sign of the deepening crisis of US and world capitalism. The Biden administration and the US ruling class have no response except to deepen their attacks on the working class while they step up their plans for confrontation with their overseas competitors, in the first place China.



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