

Price surge slashes workers' living standards

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As the latest upsurge of the COVID-19 pandemic rips through workplaces and schools, causing mass illness and death, workers' living standards fell dramatically in 2021 as a result of soaring prices for everyday necessities.

US consumer prices rose at a 7 percent annual rate in the month of December, according to figures released by the Labor Department Wednesday. Last month's figures marked the highest rate of inflation since 1982, in the midst of an offensive by the Reagan administration and US corporations against workers' jobs and living standards.

The biggest price jumps have been in gasoline and heating oil, which increased at an annual rate of 50 percent and 41 percent respectively. The price of used vehicles is up 37 percent and natural gas, used for heating and cooking, up 24 percent. The price of some basic food items has surged with beef and veal up 16 percent, chicken up 10.4 percent, eggs up 11.1 percent. Bread was up 11 percent.

Workers stressed by two years of a deadly pandemic are struggling harder than ever to make ends meet. Rising prices in 2021 significantly outweighed wage gains in the US, with the average worker seeing an overall 2.4 percent pay cut last year.

The surge in prices is having an even more devastating impact on those with fixed incomes. The rise in heating prices is particularly deadly, as winter weather grips large swaths of the US.

The impact of inflation is global. The Eurozone reported a 5 percent annual price rise in December and Brazil, 10.06 percent. The impoverished masses of India faced a 5.59 percent rise last month according to official figures, with a higher rate expected in the first quarter of this year. Inflation in Turkey is currently running at a 36 percent annual rate amidst the country's currency crisis. Some sources put the real inflation rate at more than twice that.

In frank comments to the *Wall Street Journal*, Greg McBride, chief financial analyst for Bankrate, said this year "comes up as a loss for many households. Their expenses increased even faster and chewed up all of the benefit of whatever pay raise they had seen."

The surge in inflation is the byproduct of policies pursued by the ruling class in response to the pandemic. Governments have pumped trillions of dollars into the financial markets to prop up stock exchanges, creating a ocean of fictitious values. At the same time the policy of allowing the uncontrolled spread of the

SARS-CoV-2 virus has led to mass infection and deaths, creating labor shortages and supply bottlenecks, disrupting production and pushing up prices.

The ruling class has sought to force workers back into unsafe workplaces by eliminating all social supports enacted during the pandemic. In the US this has included halting expanded unemployment benefits, lifting eviction bans and stopping the \$300 monthly child tax credit. Small businesses and the self-employed have seen virtually all support disappear as well. The US Centers for Disease Control and Prevention has done its part, cutting the recommended isolation period for people infected with COVID-19 in half, from 10 days to five days.

For the most part corporations have been able to offset, indeed profit off, cost increases by jacking up prices. US corporate profits before adjustments reached a record \$3.14 trillion in the third quarter of 2021. After tax and adjustments for inventory, profits rose to a record high \$2.74 trillion.

Meanwhile, big Wall Street investors have filled up their pockets with virtually free government cash. Stocks continue at record levels with global stock market capitalization up by an astonishing \$60 trillion since the start of the pandemic. In 2021 alone, 10 of the richest billionaires saw their net wealth increase by \$500 billion in 2021, led by Tesla CEO Elon Musk.

Workers around the world have responded to the pandemic with an upsurge of strikes, both against the destruction of their living standards and the homicidal "herd immunity" policies being pursued by the ruling classes of virtually every major capitalist country. A partial list of strikes includes:

- Three thousand Volvo Trucks workers in Virginia walked out in April and May in two separate strikes.
- Eight hundred St. Vincent nurses in Massachusetts conducted a 301-day strike over staffing.
- More than 2,500 Cook County, Illinois, nurses and state workers struck against wage and benefit concessions.
- ATI Steelworkers in Pennsylvania and four other states struck for 106 days against job cuts and other concessions.
- One thousand Warrior Met coal miners in Alabama have been on strike since April, facing union sabotage and company-orchestrated violence.
- Over 10,000 John Deere workers struck after voting down union-sponsored concessions
- Some 1,400 Kellogg's workers in four states struck for nearly three months against tiered wages and other concessions.

This week 8,000 workers at King Soopers stores in Colorado struck over a derisory management wage offer that would have seen pay for the lowest tier of workers set at just 13 cents per hour over the minimum wage. Reflecting a broader mood of militancy, management has had problems recruiting strikebreakers at \$18 per hour and has had to fly in supervisory personnel from out of state.

Inflation has hit these workers hard. The average monthly rent for a two-bedroom apartment in Denver is \$2,400, which is up 16.5 percent from last year. The current maximum wage of a King Soopers worker is just \$3,100 a month. A worker supporting a family of four in Denver would need to make twice that, \$36 an hour, to have a living wage, according to the MIT living wage calculator.

Internationally there have been major struggles as well:

- About 155,000 metalworkers in South Africa struck over wages.
- Volvo car workers in Belgium took part in a wildcat walkout.
- About 2,400 Vale nickel miners and Rio Tinto smelter workers in Canada struck after voting down union endorsed concessions.
- Tea plantation workers, health care workers and teachers in Sri Lanka have held a series of actions in defense of living conditions and democratic rights.
- About 30,000 nurses, health care assistants and midwives at public hospitals in New Zealand walked off their jobs against inadequate pay.
- Teachers, transit workers and railway workers in Brazil have organized strikes and protests against government austerity measures during the pandemic.

Wildcat strikes erupted in Turkey earlier this week after unions for 150,000 metalworkers signed a sellout deal cutting real wages of workers. The soaring cost of living in Turkey is creating unprecedented levels of social discontent.

Teachers in both the city of Chicago and across France have staged walkouts over the policy of forcing schools to stay open despite the upsurge of the Omicron variant. COVID-19 cases are surging globally, with cases averaging more than 760,000 daily in the US and 1,700 daily deaths. France reported 305,322 new COVID-19 cases Thursday. Close to 100,000 have died in France during the pandemic.

The treacherous role of the unions in strangling these struggles is indicated by US Census Bureau figures that show for the 12-month period ending in September 2021 average wage growth for nonunion workers substantially exceeded that for unionized workers, 4.7 percent versus 3.5 percent respectively.

The fact that the unions so far have contained the strike movement has not halted worried talk in the financial press about a “wages push” undercutting profits. The restoration of long abandoned cost-of-living increases, in particular by workers at Deere, has evoked hostile commentary in the *Wall*

Street Journal and other business publications.

The fight by workers to defend their living standards against surging inflation is bound up with the fight to end the pandemic. This is not simply a medical question. The policy of the ruling class, allowing the virus to spread unchecked, is based on the subordination of every aspect of life, including public health and safety, to the mad drive for enrichment of the financial oligarchy. The working class must advance a different social principle, the prioritization of its own needs, its lives and health as well as living standards, over corporate profit.

While the ruling class proclaims that SARS-CoV-2 will become endemic, that is it will go on killing millions indefinitely, the working class cannot accept this “solution.” Nor can it accept the efforts of capitalist governments to make workers pay the financial costs for this catastrophe.

There are signs that the class struggle is breaking out of the bureaucratic straitjacket of the old rotten parties and trade unions. But this movement must be given conscious program and direction. To help build this leadership, the *World Socialist Web Site* and the International Committee of the Fourth International has taken two important initiatives. In April 2021 it launched the International Workers Alliance of Rank-and-File Committees. In November it initiated the Global Workers’ Inquest into the COVID-19 Pandemic.

There is no solution to the great issues facing workers on a national basis. To unite their struggles globally workers need new forms of organization, independent of the pro-capitalist unions. These committees, run by workers themselves, will take the initiative in the fight against the spread of COVID-19 in workplaces and against the lowering of wages. Workers interested in this fight should contact the Socialist Equality Party and the International Workers Alliance of Rank-and-File Committees.



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Socialist Equality Party visit:

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