

Report: Tepid Jobs Growth, Falling Wages in US

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The US economy added 171,000 jobs in October, only slightly more than the amount needed to keep up with population growth, according to the last official monthly jobs report before the US election. The report also showed that wages for US workers are rising at the slowest rate in generations.

The report, released Friday morning by the Labor Department, showed that the unemployment rate, which fell in the September jobs report from 8.1 to 7.8 percent, ticked up slightly to 7.9 percent.

Most industries in the private sector added jobs, while state, federal, and local governments slashed 13,000 positions. The construction sector added 17,000 jobs, manufacturing added 13,600, retail trade added 36,400, and healthcare added 30,500.

The effects of Hurricane Sandy, which by some estimates has caused over \$50 billion in damages, had “no discernible effect” on the October jobs figures, the report said. The full economic impact of the hurricane will likely only be reflected in next month’s report.

Despite the overall jobs growth, the average duration of unemployment grew to 40.2 weeks, the highest figure since January.

The tepid jobs report in the US came amid a significant worsening of the global economy. Earlier this week, EU officials announced that unemployment in the 17-member eurozone hit a new record high of 11.6 percent.

Japan this week announced that its industrial production had fallen by 4 percent in September, while two of its electronics giants, Panasonic and Sharp, posted billions in losses.

The Obama campaign quickly seized on the latest figures as an indication of an “economic recovery,” proclaiming that the report provides evidence that “our economy continues to come back from the worst recession since the Great Depression under President Obama’s leadership.”

Romney, for his part, blustered at Obama’s handling of the economy, saying that “Today’s increase in the unemployment rate is a sad reminder that the economy is at a virtual standstill. The jobless rate is higher than it was when President Obama took office, and there are still 23 million Americans struggling for work.”

Despite Romney’s barbed words, neither he nor Obama plan to do anything to help the unemployed. To these two representatives of the ruling class, mass unemployment is

undesirable in name only: for their corporate backers, it means lower wages and therefore higher profits.

Friday's report showed that average hourly earnings for non-supervisory workers fell by one cent in October. Wages have increased by only 1.1 percent over the past year, the weakest increase in wages on records dating to 1965.

Consumer prices, according to government figures, rose by 2 percent over the past twelve months, meaning that in real terms, wages for non-supervisory workers fell by nearly one percent.

This fall in wages, far from being a fluke, has been a basic aim of the Obama administration from the beginning. The administration is using the economic crisis, together with pervasive mass unemployment, to transform the United States into a low-wage economy. As a result, the majority of jobs that have been created in the aftermath of the crash have paid much lower wages than those that were eliminated.

The continual reduction of wages has led to three consecutive years of record corporate profits, together with an unprecedented rise in the number of people in poverty, which grew by 2.6 million since Obama took office.

Since the beginning of 2008, more than 700,000 government jobs have been eliminated: more than under any other administration.

Neither candidate took the opportunity offered of the jobs report to comment on the scheduled cutoff of federal extended unemployment benefits, which are due to lapse for two million people by the end of the year. This lapse is the result of a deal worked out between Obama and congressional Republicans earlier in the year.

In fact, far from doing anything to address mass unemployment, Obama and Romney are laying plans to undertake the greatest round of austerity and budget-cutting in US history.

In an interview with MSNBC last week, Obama spelled out his priorities after Election Day. "There's no doubt that our first order of business is going to be to get our deficits and debt under control," he said. "We've already made a trillion dollars worth of cuts. We can do some more cuts. We can look at how we deal with the health care costs in particular under Medicaid and Medicare in a serious way, but we are also going to need some revenue."

The attack on health care programs and government jobs planned by Obama and Romney will only have a disastrous effect on the economy of the United States, throwing hundreds of thousands of people out of work, while slashing key social programs that keep millions more out of poverty.

Hurricane Sandy in New York has exposed the decay of social infrastructure, the growth of social inequality in the center of American capitalism, and the consequences of decades of neglect. It has also exposed the immense social need for a public works program to put millions of people to work in decent-paying jobs.

Neither the Democrats nor the Republicans have anything to offer. Their supposed "jobs" programs consist of various forms of corporate handouts, tax cuts and deregulation. They offer to the American people a future of mass unemployment and low-wage, unstable work.

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