

The Unspoken Truth: Mass Unemployment in America

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Judging by the official political debate and its media reflection in the United States, one would hardly know that the country remains in the grips of the deepest jobs crisis since the Great Depression. Virtually all attention is concentrated, on the one hand, on record stock prices and corporate profits, declared to be proof of a robust economic recovery, and, on the other, the supposed need for ever-deeper cuts in social programs upon which tens of millions of people depend.

The Obama administration is spearheading a historic and unprecedented assault on the core social reforms of the previous century: Social Security and Medicare. Working in lockstep with the Republicans, it has already set into motion savage cuts at the federal level in social services and workers' income in the form of the so-called "sequester" process. Meanwhile, school closures, teacher layoffs and attacks on pensions and health care continue unabated at the state and local level.

There is no reflection in what passes for the "news" or the discussions that dominate the political establishment of the concerns of the broad masses of the population, who confront the devastating impact of protracted mass unemployment. Behind this wall of official silence, the corporate elite is using the jobs crisis as a club to slash wages and impose sweatshop conditions not seen since the 1930s.

The Labor Department's employment report for March, released earlier this month, provided an indication of the actual state of economic life beyond the confines of Wall Street and corporate America. It showed that only 88,000 jobs were created in March, less than a third of the previous month and half the number predicted by economists.

Most significant was the sharp fall in the labor force participation rate—the percentage of the population that is working or looking for work. This figure fell to 63.3 percent, the lowest level since 1979. Half a million people gave up looking for work in March alone.

The fall in the labor force can be explained in part by the chronic state of long-term unemployment. The average duration of unemployment increased in March to more than 37 weeks.

Under the sequester cuts signed into law by Obama last month, 4 million long-term unemployed will suffer an 11 percent cut in their already paltry jobless benefits. With perverse logic, the fall of the official unemployment rate, largely due to discouraged workers giving up looking for a job, has been used to justify cuts in the duration of unemployment benefits in states throughout the country.

The vast majority of the new jobs that have replaced those wiped out in the economic crisis pay sharply lower wages.

The situation facing young people in the US is particularly dire. The labor force participation rate for workers under the age of 25 hit 54.5 percent in March, the lowest level in four decades. According to one calculation, the real youth unemployment rate, if those who have left the labor force are taken into account, is 22.9 percent, comparable to what exists in the euro zone.

Millions of young people, deprived of a future, are forced to work for menial pay, if they are able to find a job. Millions of older workers are being thrown into abject poverty.

In an earlier period, the present level of unemployment would have been treated as a national disgrace. In 1965, the same year Medicare was enacted, President Lyndon B. Johnson remarked, "The promise in the Employment Act of job opportunities for all those able and wanting to work has not yet been fulfilled. We cannot rest until it is." At the time, the unemployment rate was 5 percent. There were 3.7 million officially unemployed, one third of the number officially unemployed now.

Of course, Johnson's rhetoric was never translated into reality. His "War on Poverty" was largely stillborn. Nevertheless, the growth of social struggles—the civil rights movement, militant strikes by industrial workers, ghetto uprisings—compelled a frightened ruling class to make certain concessions to the working class.

That was at a high point of the post-World War II boom and the global economic dominance of the United States. Nearly 50 years later, with US capitalism having suffered a vast internal decay and decline in its global economic position, the Obama administration acknowledges the epidemic of joblessness only in the reverse, praising the number of jobs that "our businesses" have created.

The decay of American capitalism finds its most noxious expression in the staggering and ever-increasing level of social inequality. This, in turn, is bound up with the erosion of America's industrial infrastructure and the ascendancy of a parasitic financial aristocracy, which derives its wealth not from the production of useful goods, but rather from financial manipulations of a criminal and socially destructive character.

The Obama White House represents the convergence of the Wall Street mafia and the military/intelligence apparatus. Its policies can be summed up as social counterrevolution and the preparation for mass repression at home and war and neocolonial conquest abroad.

The one constituency that is totally disenfranchised and excluded from any say in policy under the antidemocratic two-party system in America is—the vast majority of the people! It is no different in Europe, Japan, China and the rest of the world, where the ruling elites are carrying out brutal austerity measures in defiance of the will of the people.

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