

Working People in America impoverished by Obama's Economic Policies: Labor Fights Back for Living Wages and Jobs For All

By [Shamus Cooke](#)

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If U.S. economy eventually recovers and current trends continue, U.S. workers won't be celebrating in the streets. The corporate establishment has made it clear that a "strong recovery" depends on U.S. workers making "great sacrifices" in the areas of wages, health care, pensions, and more ominously, reductions in so-called "entitlement programs" — Social Security, Medicare, and other social services.

These plans have been discussed at length in corporate think tanks for years, and only recently has the mainstream media begun a coordinated attack to convince American workers of the "necessity" of adopting these policies. The New York Times speaks for the corporate establishment as a whole when it writes:

"American workers are overpaid, relative to equally productive employees elsewhere doing the same work [China for example]. If the global economy is to get into balance, that gap must close."

and:

"The recession shows that many workers are paid more than they're worth...The global wage gap has been narrowing [because U.S. workers' wages are shrinking], but recent labor market statistics in the United States suggest the adjustment has not gone far enough."

The New York Times solution? "Both moderate inflation to cut real wages [!] and a further drop in the dollar's real trade-weighted value [monetary inflation to shrink wages] might be acceptable." (November 11, 2009).

The business journal, The Atlantic, agrees:

"So how do we keep wages high in the U.S.? We don't...U.S. workers cannot ultimately continue to have higher wages relative to those in other nations [China, India, etc.] who compete in the same industries."

President Obama speaks less bluntly about the wage subject for political purposes, but he wholeheartedly agrees with the above opinions, especially when he repeatedly said:

“We must lay a new foundation for growth and prosperity, where we consume less [as a result of lower wages] at home and send more exports abroad.”

So how will Obama implement his economic vision that inspired Wall Street to give him millions during his Presidential campaign? Much of the work is happening automatically, due to the Great Recession. Bloomberg news reports:

“More than half of U.S. workers were either unemployed or experienced reductions in hours or wages since the recession began in December 2007... The worst economic slump since the 1930s has affected 55 percent of adults in the labor force...” (June 30, 2010).

Employers are exploiting fears of joblessness by demanding workers take wage cuts and reductions or eliminations in benefits. The millions of unemployed are giving corporations an excuse to slash wages, since desperate workers will work for almost anything.

Federal, State and municipal workers are being specifically targeted and blamed — especially teachers — by politicians and corporate groups. The state budget crises and the federal deficit are being used as reasons to demand that public employees take huge reductions in wages and benefits, for those who aren't laid off. Laid off public workers then enter the private workforce where they are to compete with millions of other unemployed workers. Democratic politicians nationwide have recently agreed with Republicans of the “necessity” of state workers to make huge “sacrifices.”

Ultimately, years of Wall Street gambling and corporate greed in general have destroyed the U.S. economy, sending jobs overseas to exploit slave wages with the inevitable result of slave wages coming to the U.S. Decades of tax-cuts for the rich combined with overseas wars for profit have undermined the foundation of economic stability — and U.S. workers are being asked to foot the bill.

In the long-term, the U.S. economy will need to be re-structured, meaning that giant corporations cannot continue to dominate the economy for their personal profits. In the short term, U.S. workers will need to organize themselves to fight back. Alliances with Democratic politicians are no longer an option to stave off attacks from corporations, since the attacks are now coming from both sides of the two-party system.

Labor unions must work together with community groups to demand that the rich pay for the recession with higher tax rates. As AFL-CIO President Richard Trumka recently argued before Obama's Deficit Reduction Commission: “We believe it is only fitting to ask Wall Street to pay to rebuild the economy it helped destroy.” And he called for higher taxes on the rich in general, pointing out that “effective tax rates applicable to high-income taxpayers (earning over \$250,000 in 2009 dollars) reached their lowest level in at least half a century in 2008.”

U.S. workers have been forced to bear the brunt of the current economic crisis, though they had no part in causing it. Meanwhile, Wall Street is back to speculative trading and rewarding itself with big bonuses. It is time to turn the tables and start properly rewarding hard-working Americans. U.S. workers have sacrificed enough!

This October 2, 2010, SEIU Local 1199, the NAACP, and other progressive organizations are

staging a march on Washington, D.C., calling on the government to create more jobs. The AFL-CIO has recently endorsed this demonstration and is actively building it. Other major endorsers include the California Labor Federation and the American Federation of Teachers. The SEIU president is predicting the march will be “massive – we believe historic.” It might prove to be the beginning of organized labor’s comeback.

Shamus Cooke is a social service worker, trade unionist, and writer for Workers Action (www.workerscompass.org). He can be reached at shamuscooke@gmail.com

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