

The US Economic Crisis: Jobs Continue to Vanish While the Media Applauds “Recovery”

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At first glance it appeared there was a typo in the headlines. The national media reported that, in January, another 20,000 more jobs were lost. Somehow, the unemployment rate dropped, from 10 percent to 9.7 percent. Nobody thought this paradox was worth explaining; instead, the media’s attitude was “more good news” about the economy.

But there was other evidence of an obliterated job market hiding behind the cheerful headlines. After revising the employment numbers in 2009, The New York Times reported, “...the economy lost 150,000 jobs in December, far more than the 85,000 initially reported.” Overall in 2009, the adjusted numbers showed an additional “...1.36 million fewer jobs...” (February 5, 2010).

And yet the unemployment rate dropped. One reason this happened is that the U.S. government uses a separate, more unreliable survey to calculate the unemployment rate, in contrast to the survey used to calculate job losses. There are other more important ways the government obscures the unemployment numbers: if you are no longer receiving unemployment benefits you’re not counted as unemployed; if you’ve given up looking for a job, you’re not counted either. You are counted, however, if you are working only 15 hours a week, or if you’re a temporary worker.

In this way the government cooks the books to bring fake optimism to the masses. The mainstream mediareports these fraudulent numbers without asking questions, so that the Democrats can continue doing absolutely nothing towards creating jobs.

But there is a method to the madness. Mass unemployment brings incredible pressure on workers’ wages and benefits. The mere threat of being unemployed puts unorganized workers in a precarious position when they’re told to work for less.

The organized labor movement is suffering from the recession too. In 2009 the number of workers belonging to unions fell by 771,000. Since union workers have higher standards of living, this number implies a further drop in wages and benefits overall.

These depressing numbers are cheered by corporations and politicians alike. To them, “economic recovery” means corporate recovery — an increase in profits, nothing more. And lower wages mean that profits are going to be even higher.

The shallow recovery that politicians are boasting about has been limited to some big

businesses, especially Wall Street. Obama rejoiced at the recent news of 5.7 percent increase in GDP, even though this increase came at the expense of hundreds of thousands of jobs. The New York Times also added insight to how corporations are boosting profits:

“Instead of adding workers, many companies are squeezing their existing work forces to produce more. Productivity rose by a seasonally adjusted 6.2 percent in the fourth quarter...” (February 5, 2010).

To summarize: jobs continue to be cut by the thousands, while the remaining workers are forced to work harder with the same or often lower wages and benefits. This is the “new economy” that politicians speak of when they discuss “increasing exports” on the world market, a plan that requires that U.S. workers make lower wages to compete with the slave-wages overseas.

This is why the Democrats are doing nothing of substance to create living wage jobs. They tell lies about the job market recovering, creating false hopes by announcing skewed employment numbers to the public.

Such illusions can have only a temporary pacifying effect. Resentment is building up and optimistic speeches are wearing thin. But action is needed. Workers and the unemployed must unite to demand the creation of living wage jobs — a real jobs program that rebuilds America’s infrastructure and promotes education and social services. A good first step would be for union members to demand that all unions, from the very top to the bottom, organize the unorganized, and fight for the jobless by building a massive spring demonstration in Washington, DC, and on the West Coast for a massive jobs program.

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