The global jobs crisis

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New reports on unemployment, poverty and hunger released this week demonstrate that the global economic crisis is being used to effect a basic restructuring of social relations characterized by long-term high unemployment and the impoverishment of the working class.

An Organisation for Economic Cooperation and Development (OECD) study released Wednesday reports that by the end of 2010, 10 million jobs will likely be lost among member states, bringing to 25 million the number of jobs eliminated in the thirty-member group of industrialized nations since the economic crisis began at the end of 2007.

The OECD unemployment rate climbed to 8.3 percent in June, the highest on record dating back to World War II, and a sharp increase from the close of 2007, when unemployment stood at 5.6 percent.

Among member states, Spain has the highest unemployment rate, at 18.1 percent, and is joined by two other countries hard hit by the housing bust—Ireland and the US—with the sharpest increases in unemployment this year. Since the beginning of 2007, unemployment rates in Spain, Ireland and the US have increased by 9.7 percent, 7.8 percent and 4.5 percent, respectively.

Official unemployment in the US stands at 9.7 percent and will surpass 10 percent next year, the OECD predicts. Unemployment levels in Germany, France, Italy and Canada are expected to rise rapidly by the end of next year, reaching 11.8 percent, 11.3 percent, 10.5 percent and around 10 percent, respectively.

The OECD report singles out high unemployment among youth as a particularly dire problem. For 15-24 year-old workers, the OECD predicts that unemployment in Spain will rise to nearly 40 percent next year, in Italy and France to about 25 percent, in Turkey to 23 percent, and in the UK and US to around 18 percent.

The trend toward impoverishment among young workers is substantiated by a report in Friday's *USA Today* analyzing recent American census data. The newspaper concludes that the incomes of young and middle-aged workers "have fallen off a cliff since 2000."

"People 54 or younger are losing ground financially at an unprecedented rate in this recession," the article reports. It notes that "household income for people in their peak earning years—between ages 45 and 54—plunged $7,700 to $64,349 from 2000 through 2008, after adjusting for inflation." Only workers born before 1955 have seen even a marginal increase in their incomes since 2000.

It is understood, moreover, that the jobs, pay, benefits and social spending being eliminated in the recession will not come back.

The OECD study warns that "a major risk is that much of this large hike in unemployment becomes structural in nature," while a recent *Time* magazine story anticipates that unemployment in the US is likely to remain between 9 percent and 11 percent for years to come.

"It's not hard to imagine," *Time* says, "a country sprouting listless Obamavilles: idled workers minivanning aimlessly through overleveraged cul-de-sacs with no way to pay their mortgages, no health care, little hope of meaningful work and only the hot comfort of angry politics."

The economic crisis is also ravaging workers in so-called “developing” nations.

A new report from the United Nations’ World Food Program (WFP) reveals that more than one billion people, or about one in every 6 of the earth’s inhabitants, will experience hunger this year. Hunger is most widespread in sub-Saharan Africa and Asia, but it is also growing among workers in advanced capitalist countries like the US.

And a report issued Wednesday by the World Bank predicts that the economic crisis will force 89 million more people into poverty by the end of next year, largely in poor countries. Worse, governments of “developing” nations are responding to the economic crisis by slashing already meager social spending on education, infrastructure and health care, the report warns.

OECD Secretary General Angel Gurría noted that governments have “thrown trillions and trillions and trillions” at the economic crisis. But he warned that “employment is the bottom line of the current crisis. We cannot claim victory because we see economic indicators going up. We should not assume that (gross domestic product) growth will take care of this.”

World Food Program Executive Director Josette Sheeran noted that the $3 billion budget shortfall her agency must bridge in order to feed 108 million people globally is less than one one-hundredth of one percent of the tens of trillions world governments have allocated to the major banks in their bid to prop up the financial order.

It is not an accident that multi-trillion-dollar bailouts of the banks have been accompanied by growing unemployment and poverty. The defense of the personal fortunes of the financial oligarchies that rule the major economies necessitates a ruthless attack on the jobs and living standards of the vast majority of the world’s population.

The overriding concern of President Obama and his G20 counterparts, who are about to gather in Pittsburgh, is not the rising tide of joblessness and social misery, but the profit margins and share values of the big banks and corporations. Using that measure, Federal Reserve Chairman Ben Bernanke on Tuesday declared “the recession is very likely over at this point.”

For the vast majority of the world’s population, the economic crisis has only just begun.

The new reports make clear that the social crisis is fundamentally international in scope and in its origins. It follows that unemployment and poverty cannot be fought on the basis of a nationalist perspective and protectionist measures that aim to beef up the revenue of particular national industries—the perspective promoted by the official trade unions of every country.

What is required is a coordinated offensive by the international working class on the basis of a socialist and revolutionary program that aims to reorganize the global economy to meet social needs rather than the profit imperatives of the various national elites.

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http://www.wsws.org/articles/2009/sep2009/pers-s19.shtml