

Bush-Obama ‘Decade of Hell’ Brings Mass Unemployment

by Paul Gallagher

Aug. 29—The drastic real shrinkage of the American workforce in the past decade, which is obscured by all of the various “unemployment rates” popularly discussed, is the clearest sign that the U.S. economy has gone into terminal collapse, and has to be rebuilt anew, starting immediately, junking 40 years of British-inspired deindustrialization and globalization policies. The constant debates over “What is the real unemployment rate?” and “Is it rising or falling?” miss the clear physical-economic reality which becomes obvious when looking at the changes in the economic activity (inactivity!) of the whole working-age American population.

After 40 years without investment in the new economic infrastructure of the 20th or 21st centuries, the last ten years’ final U.S. employment breakdown is the driver of the mass public anger focussed at Barack Obama’s failed Presidency.

The Obama Administration, in the person of Vice President Joe Biden, was out again on Aug. 24, with the discredited claim to have “created or saved” 1-2 million jobs, while the economy crashed on Obama’s watch. Leaving aside the well-known inflation and fraud in these claims: Any Presidency fighting for economic recovery—necessarily a post-Obama Presidency, following his resignation—will have to create infrastructure-building employment on the scale of *tens of millions of*



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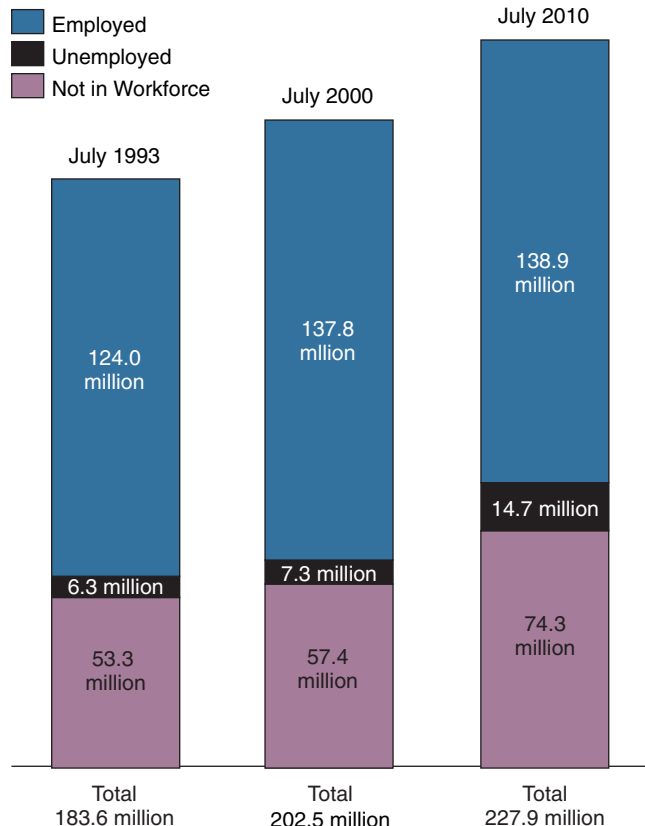
In the 1990s, 80% of working age (16-65) Americans were counted in the workforce; under the Bush-Obama disastrous decade, only 30% were; and one in six of that 30% are now officially unemployed, or forced to work part-time. Shown: an unemployment line in California.

jobs, directly and indirectly, during the next decade. And that has to start immediately.

As late as the decade of the 1990s, about 80% of those U.S. civilian, non-institutionalized residents who entered the working age range of 16-65 years, or immigrated into it, joined and stayed in the workforce. (Being “in the workforce” essentially means that besides being capable of working, a person is employed or immediately seeking work.) But in the Bush-Obama decade now ending, only 30% fit that description, and

FIGURE 1
Change in Work Status of Working-Age Population

(Civilian, Non-Institutionalized Population, Ages 16-65)



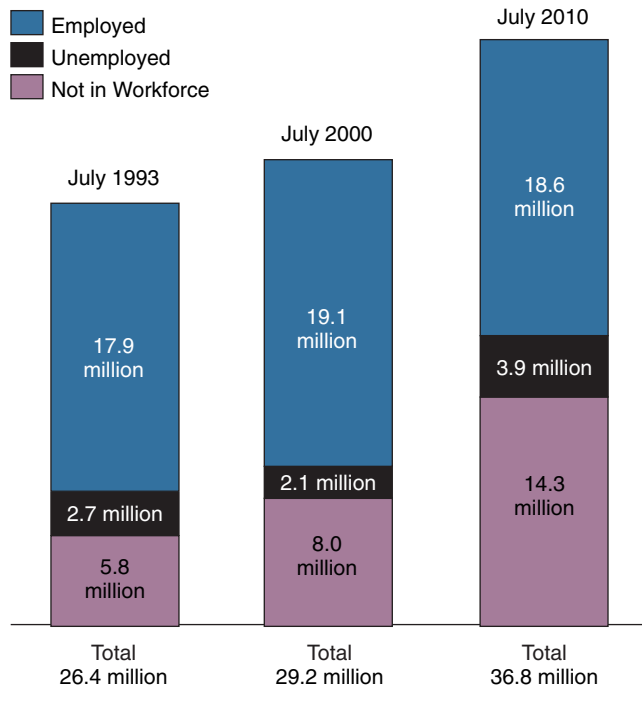
Source: Community Employment Surveys, U.S. Dept. of Labor.

one in six of that 30% is now officially unemployed, or forced to work only part-time. Obviously, the great majority of the other 70%, some 17.5 million new working-age Americans, since 2000, did not stay out of the workforce by choice. The thorough economic collapse closed the door to employment against them, or booted them out, usually after six months to two years or more of unemployment and inability to find work. Those 17 million are the underwater part of the iceberg of unemployment, beyond the 23 million or so currently officially unemployed and underemployed.

The situation of the working-age population as a whole, tells us that the real “disappeared employment” in the collapsed U.S. economy, is in the range of 35-40 million and growing, relative to what it must be—and will be, starting with a new President, a Glass-Steagall

FIGURE 2
Change in Work Status of 16-24-Year-Olds

(Civilian, Non-Institutionalized Population)



Source: Community Employment Surveys, U.S. Dept. of Labor.

credit system, and immediately beginning to transform our entire economic infrastructure around the North American Water and Power Alliance (NAWAPA) program. No tinkering with a “manufacturing policy” or “another stimulus” can turn the ship now—the whole physical-economic system of employment, that was the legacy from President Franklin D. Roosevelt’s great mobilizations, through President John F. Kennedy’s space and industrial policies, has been brought to complete collapse. Given that the size of the American workforce now is only about 153 million, compare it to the 35-40 million missing and disappeared unemployment: What you are looking at is the drastic level of the Great Depression, faced by FDR at his first inauguration.

Speaking on Aug. 28 of the mobilization to get Obama out and start building NAWAPA, Lyndon LaRouche said, “I don’t think there’s going to be much unemployment in the United States, once this starts. There’s plenty of work to be done! And if we get 4 million people back in the labor force—in the *productive* labor force; not just employed, but productive—if we



EIRNS/Stuart Lewis

As older workers stay in the workforce, because their pensions and retirement incomes have evaporated, unemployment among younger workers (16-24 year-olds) has soared. Here, a student job fair in Leesburg, Va., April 2010.

get to that level, we will overcome the margin of failure in the U.S. economy now.”

The American people, LaRouche added, “don’t want to go back to this system under Obama and George W. Bush, Jr.! Who wants that decade? What a mess that was: Ten years of Hell!”

A Picture of Desolation

During that hellish decade (July 2000-July 2010), the total U.S. civilian, non-institutionalized population between 16 and 65 increased by 24 million, reaching just under 228 million. But the total number *not employed* increased by 23 million! Additionally, the number only marginally employed—in current official statistics, that can mean as little as one hour’s work per week—increased by 5 million. So the number not employed in a full-time job *increased by 28 million in that decade*, significantly more than the total growth in the potential workforce.

The ratio of that working-age population which is employed, dropped from 64.5% to 58.4%; and the number not in the labor force increased by 17 million. There are always some millions of people not in the labor force for good reasons: The challenge here is the huge increase in the total number, an increase equal to nearly three-fourths of the whole increase in the working-age, employable population. And the other one-

fourth largely became officially unemployed.

In the same hellish decade, the shift away from production, and productive employment, turned drastic: 6.55 million productive jobs disappeared (a 25% loss), and 5.45 million service jobs were added in the economy.

During the past three years, July 2007-July 2010, the collapse of the workforce turned into complete desolation: Against a growth of 5 million in the civilian working-age, non-institutionalized population, employment dropped by 8.5 million and the number of people out of the labor force rose by 10 million; the employment-to-population ratio plunged from 63.2% to the current 58.4% in just three years. Had those 10 million

not been driven out of the workforce, even “official” unemployment reported every month would be high in the double digits right now.

Worst for the Youngest

Among the youngest cohort in the working-age population, 16-24, since 2000, their numbers have grown by 6.6 million; and their numbers out of the workforce have grown by 6.5 million: They simply have not entered the labor force. This has accelerated since 2007, and is still accelerating now, as experienced workers in their late 50s and 60s who might have retired, do not retire due to impoverishment, workers 20-24 are preferentially laid off, and teenagers have no chance of finding work.

Among teenagers 16-19, the employment shutdown is more dramatic. Their employment ratio was 53.5% in July 1993; 54.5% in July 2000; as of July 2010 it is 31.3%. Their numbers have increased by 3.5 million and their employment has dropped by 1.8 million. In 2000, about 36% of teenagers were not in the labor force; but in 2010, about 60% are not in the labor force.

This Summer, the share of potential workers 16-24 years of age who were employed went to 48.9% in July; this should always be the highest employment month for the youngest cohort of the working-age population,

but this year it is the lowest on records going back to 1948. The labor force participation rate for all youth—the proportion of the 16-24-year-olds working or looking for work—was 60.5% in July, the lowest July rate on record. It was down 2.5% from a year earlier; but in July 1990, that labor force participation was 77.5%, and in July 2000, it was still 75.6%.

The collapse has forced many older workers into unemployment, and then down into lower-wage and lower-skill jobs, shutting the door more firmly against young workers. From 2007 to 2009, there were 6.9 million Americans who lost jobs they had had for more than five years, because the work disappeared (they were not fired or temporarily laid off, and did not voluntarily leave). As of January 2010, only 2.9 million of these 6.9 million had found new employment. Those 2.9 million had suffered an average wage/salary loss of 20% in the new job. They were preponderantly either skilled auto/machine-tool workers, construction workers and engineers, other engineers, computer or software technicians, or financial sector business administration employees.

Two reports in the week of Aug. 23 anecdotally show the process. A San Juan, Puerto Rico job fair drew several thousand applicants, although the companies represented were all retailers like WalMart, call centers, and fast food chains. The job-loser veterans of employment in factories, and in all branches of government, came looking for low-end retail work. And a Southfield, Mich. job fair for the “over-50” drew 5,000 people looking for “anything.”

The main relevant national jobs-training program for younger veterans, “Helmets to Hardhats,” involves all of the construction trades unions, and is funded by both the Department of Defense and the “stimulus” act. But it is failing due to massive unemployment: In six years, training more than 200,000 Gulf War-era veterans, the total number of successful job placements may not have been over 15,000. Male veterans 18-24 have an official unemployment rate of 20.8%.

This, like other job training programs, is currently crushed by the collapse; but it can immediately succeed under the approach of LaRouche’s NAWAPA, and with the Army Corps of Engineers in charge.

“There is no need to be demoralized about the huge numbers of unemployment. Every time you take a percentile away from unemployment, you expand the economy,” LaRouche said today. “That’s our approach.”