

United States, Covid and social insecurity: Unemployment Skyrockets. Big Increase in Hunger

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The Labor Department released figures for the unemployment rate for April. They said that the rate was 14.7 percent, the highest rate since the Great Depression of the 1930s. The Labor Department said that because of how it classifies workers, the real figure could be 20 percent.

These figures reflect the situation as it was in mid-April, and millions more applied for unemployment insurance since, with the reported total as of May 9 reaching 36 million. Eleven million workers reported working part time because they couldn't find full time work, up from four million before the pandemic.

Many millions tried to apply, but the unemployment agencies were so swamped they either couldn't process these attempts or were weeks late.

A May 15 article in the New York Times titled "JOB LOSSES MOUNT EVEN AS U.S. BEGINS TO LIFT LOCKDOWN" reports that according to a poll they had conducted by a polling firm, "more than half of those applying for unemployment benefits in recent weeks were unsuccessful."

The article also says "In places where the fitful reopening has started, workers called back often face reduced hours and paychecks as well a heightened risk of infection. Declining to return, however, is likely to put an end to any jobless benefits.

" 'It's a very tough choice for those in the service industry and those at the lower end of the pay scale,' " Rubeela Farooqi, chief U.S. economist at High Frequency Economics said. 'Do you go back and risk getting sick, or have no money coming in?' "

The service industries have a high percentage of African Americans and Latinos. Also in the "lower end of the pay scale" are Native Americans and poorer whites.

It is clear that the U.S. economy and the working class has been hard hit.

Capitalists are pressuring both parties to lift all aspects of the shutdown. They want to get back to the business of making profit, even if that means more deaths.

Most states are trying to reopen businesses shut down by the pandemic. Some states are being cautious, and are linking what businesses to reopen to safety measures to keep the virus from spiking again, while other are more reckless.

An experiment is underway. Will the reopening, with more and more people going back to

workplaces where they may be exposed, and others travelling, and crowds developing without keeping safe distances, result in a new spike in infections and deaths leading to a need for reversal?

On May 18, deaths from the virus reached 90,000, according to the official count. We know that the real figure is much higher since the official figure comes mainly from deaths recorded in hospitals and nursing homes where tests confirmed they were caused by the virus.

Big jumps in overall reported deaths over what is normal prove the official figure is lower than the real number. Many deaths in homes or on the streets go untested and are not recorded.

The Institute for Health Metrics and Evaluation at the University of Washington has now predicted that the death toll will increase, due to increased mobility of the population. Institute Director Dr. Christopher Murray said that some states that have moved to reopen are seeing double-digit spikes in reported cases.

There is a time lag between exposure and development of symptoms, and more time before deaths occur and are reported. It will take months to see the full results of the opening up of businesses in this experiment with peoples' lives.

What Trump hopes is that a quick opening up of all the economy will mean it will come roaring back. Some bourgeois economists agree with him, at least to some extent. But we should be more cautious. We are in a situation never before seen in the history of capitalism. We just don't know what the short-term or long-term economic effects will be.

If the economy continues to reopen without causing a big increase in new cases and deaths leading to a new shutdown, we may begin to get an idea of what those effects will be.

Another factor to keep in mind is that just as the pandemic is international in scope, so is the economic impact. What happens to the world economy will affect the U.S. For example, the European Union said that it will experience a "deep and uneven recession" of historic proportions with a contraction of 7.5 percent in 2020 in its member countries. That certainly will have an effect on the U.S.

Hunger Grows in the United States

Worldwide, the pandemic has greatly increased lack of sufficient food, with large numbers in the global south (oppressed nations, the majority of humanity) facing starvation. Just as the poorer nations suffer the most, within the U.S. the poorest are hit the hardest.

The pandemic is impacting African Americans, Latinos and Native Americans (especially the Navaho Nation) hard, with cases and deaths disproportionately high. They have been hit hard economically, too, along with poorer white workers.

Hunger in the U.S. has increased since the Great Recession of 2007-2009, as the sluggish recovery has impacted poorer people negatively. But this has increased greatly during the pandemic with long lines at food banks. In some places there are lines of people close together. Other lines have been of cars, stretching big distances.

An article in the New York Times reported, "As a padlocked economy leaves millions of Americans without paychecks, lines outside food banks have stretched for miles, prompting some of the overwhelmed charities to seek help from the National Guard.

“New research shows a rise in food insecurity [the euphemism for not enough food] without modern precedent. Among mothers with young children, nearly one-fifth say their children are not getting enough to eat, according to a survey by the Brookings Institution, a rate three times as high as in 2008, during the worst of the Great Recession.

“The reality of so many Americans running out of food is an alarming reminder of the economic hardship the pandemic has inflicted. But despite their support for spending trillions on other programs to mitigate those hardships, Republicans have balked at a long-term expansion of food stamps – a core feature of the safety net that once enjoyed broad support but is now a source of a highly partisan divide.

“Democrats want a temporary increase of food stamp benefits of 15 percent during the crisis” while Trump and the Republicans are opposed. “Even as the pandemic unfolded, the Trump administration tried to push forward with new work rules projected to remove more people from aid.

“Mr. Trump and his congressional allies have agreed to only a short-term increase in food stamp benefits that omits the poorest recipients, including five million children.”

The Democrat proposal is insufficient. The food stamp program already doesn’t provide enough food, and it should be raised by more than 15 percent, and permanently.

Both Democrats and Republicans have worked to cut holes in the safety net. It was under the Democrat Bill Clinton that some of the drastic cuts were made. In general, it has been the Republicans who have driven to the right the most, with the Democrats in their wake, but not as far.

It is quite possible that we are entering a deep recession in the United States and much of the world. If that indeed occurs, working people will bear the brunt of the suffering, including “food insecurity”.

Barry Sheppard
