

California residents speak on the economic crisis

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As the economic crisis in California grows, working people throughout the state are confronting increasingly dire conditions. The employment situation is worsening, and foreclosures and personal bankruptcies are rising rapidly.

In May, unemployment in California shot up a half of a percentage point, to 11.5 percent, over the previous month, according to the US Department of Labor. Foreclosures jumped another 31.9 percent in May after a 35 percent increase in April. Real estate values in May have declined as much as 45.3 percent (in San Bernardino County) compared to a year before. According to a Fitch Ratings report, they are likely to drop another 36 percent over the next 12 to 18 months.

On top of this, the state treasury is verging on insolvency. In order to avert a “complete financial meltdown,” as described by California’s State Controller, the state government is scrambling to implement massive budget cuts.

Governor Arnold Schwarzenegger has proposed a series of measures that if implemented will lead to the literal destruction of what is left of the welfare state, including additional multibillion-dollar cuts in public education; the elimination of programs that provide vital services to the most vulnerable layers of society, such as the elderly, children and the mentally ill; and the closure of state parks and other public facilities.

A mandatory furlough of 235,000 state employees in February amounted to a salary loss of nearly 10 percent. Many of these workers are now threatened with an additional 5 percent wage reduction and the specter of mass layoffs.

The Democratic Party has proposed a series of countermeasures, which may result in slightly fewer cuts, but also include regressive tax increases. Their

opposition to the Republicans is purely tactical, as both parties agree that the working class must pay for the economic crisis. They are joined in this perspective by the Obama administration, which has repeatedly refused financial aid from the federal government. Hundreds of thousands of families are consequently being shoved into poverty in the richest and most populous state in the country.

A WSWs reporting team has conducted a series of interviews in the Los Angeles area to document the impact of the economic crisis.

Food banks have become a common feature in the urban landscape. One such place is the Fountain Avenue Baptist Church in Los Angeles. After a few minutes of conversation, it is clear that many of those seeking food aid held jobs until recently. Many have college degrees and cannot find any job. We spoke to Marvin and Luis.

WSWS: Are you employed?

Marvin: If I could find a job, I wouldn’t be here, begging for some food. It has gotten really bad in the last two years, with the progressive decline of the economy as a whole. I’ve seen it go down not only here, but also around the world.

WSWS: How long have you been in the US?

Marvin: It’s been 20 years. I’ve always worked very hard. But the crisis is forcing me to leave and return to El Salvador. There’s nothing left for me to do here.

WSWS: What do you think of the political leadership in this country?

Marvin: The new president has promised change, but it’s too slow.

Otis: Sure. I just finished my first year of college in business administration, but business is so slow no one is actually hiring; or, if they are, they tell you that the pay has to be reduced because of the crisis. That was

the outcome of three of my last four interviews.

WSWS: How do you think this came about?

Otis: The Republican administration before Obama implemented measures that favored only special interests, but what about the rest of the nation?

WSWS: So, why do you think Obama hasn't made a change? The Democrats have the majority in Congress, yet the same policies are in place.

Otis: Well, on the surface it looks like lack of cooperation on the part of the Republicans. But I really don't know what goes on behind the scenes. And the effects of the crisis aren't finished here. Since I've been out here I've noticed more people sleeping in their cars, walking the streets due to job loss. I think the stimulus money has slowed the recession, but what happens after the money's gone?

A few blocks away, a local farmers' market accepts food stamps and WIC (Women, Infants and Children) coupons. A young couple, Jonathan and Abigail, were paying for their groceries with coupons. The WSWS asked for their opinion on the effects of the crisis on working families.

Jonathan: Basically, it's affecting everybody's life. People's basic needs, like food and shelter, are not being met. The economy is affecting us in many different ways.

WSWS: How about work? Are you currently employed?

Jonathan: I'm currently unemployed. The crisis is so intense that it's so difficult for us to find a job. It's become difficult for undocumented immigrants as well as natives. And it's gotten worse in the last year and a half.

WSWS: What do you think of programs like TARP that transfer immense amounts of money from workers straight into the coffers of bankers?

Jonathan: It's affecting everybody. The money we're paying should be used in different ways, for the benefit of our communities. Governments should use our money for primary needs, like education. We have a child on the way....

Abigail: They should help us.

Frank Stubbs, a retired man and a WWII veteran, was determined to tell the WSWS his opinion. To the question of how the economic crisis had been handled by the Bush and Obama administration, he responded that one is as bad as the other. "They should not have

bailed out anybody, spending taxpayers' money to help people who don't know what they are doing—that is, banks, auto companies and the like," insisted Stubbs.



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