

# Obama administration spearheading growth of part-time labor

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Over the past two months, the US economy has replaced 148,000 full-time jobs with part-time positions, according to data from the Labor Department. This represents a significant acceleration in the growth of part-time labor, widely attributed to the Obama administration's Affordable Care Act (ACA).

The growth of part-time and temporary jobs at the expense of full-time positions is not simply the result of "objective" economic forces. It is an essential aspect of an offensive against the living standards and social conditions of the working class that has been intensified since the Wall Street crash of September 2008.

The Obama administration is directing this attack, encouraging wage cutting and the reduction of large sections of workers to the status of casual laborers. Obama's so-called health care "reform," the ACA, was designed to facilitate this process by encouraging employers to reduce the hours of employees so as to evade requirements that they provide health insurance to full-time workers.

Low-wage, part-time and temporary labor—this is the essence of the administration's so-called "jobs program." Obama has pledged to "revive" US manufacturing and increase US exports by making American companies more competitive on world markets. What he does not say is that the heart of his strategy—and that of the ruling class as a whole—is the destruction of all of the social gains won by generations of American workers over the past century.

According to the Bureau of Labor Statistics' household survey, the US lost a combined 148,000 full-time jobs in June and July, while adding 534,000 part-time jobs. This shows that the proportion of part-time to full-time jobs is growing more rapidly. So far this

year, more than three quarters of new jobs have been part-time.

Many companies and local governments replacing full-time workers with part-time labor have attributed their moves to the Affordable Care Act's employer mandate, which requires companies with more than 50 "full-time equivalent" workers, as defined in the ACA, to provide health insurance for workers employed more than 30 hours a week. This is despite the fact that the Obama administration, bowing to corporate pressure, last month pushed back the starting date for the employer mandate by a year, to January 2015.

"They have put some of the full-time positions on hold and are hiring part-time employees so they won't have to pay out the benefits," Darin Hovendick of the staffing firm Client Staffing Solutions told Reuters.

Earlier this month, Forever 21, the clothing retailer, sent a letter to full-time "stock associates, sales associates, store maintenance associates, accessory specialists and cashiers" informing them that their positions "will be reclassified as part-time" beginning August 18.

As a result, the letter informed employees "enrolled in any of our Medical, Dental, Vision and FSA plans," their coverage would end on August 31 of this year. Employees were told they would lose paid time off and their schedules would not exceed 29.5 hours per week.

Other companies have responded to the requirements of the Affordable Care Act by slashing employee benefits. Last week, United Parcel Service said it would cut off health benefits to about 15,000 spouses of employees in response to the health care law.

The company said in an internal memo reported by the *New York Times* that health care costs "combined with the costs associated with the Affordable Care Act, have made it increasingly difficult to continue

providing the same level of health care benefits to our employees at an affordable cost.”

Local governments are likewise cutting back public sector-workers’ hours in response to the health care law. The *Washington Post* reported that Middletown Township, New Jersey; Bee County, Texas; and Brevard County, Florida have all cut back workers’ hours in order to avoid paying for health insurance under the ACA.

Since 2008, the US has lost more than 5 million full-time jobs, but gained 3.1 million part-time jobs. In percentage terms, the number of part-time jobs has grown by nearly 14 percent since 2005.

In addition to working fewer hours, part-time employees typically make significantly less pay than full-time workers, have more irregular schedules, and are not provided employment benefits.

The 2008 crash and ensuing slump have been utilized by the ruling class to carry out a broad restructuring of social relations in the United States, with corporate profits soaring as companies push their employees to work harder for less money. As a result, per-employee profits at private US companies jumped by nearly one third, from \$14,000 in 2009 to \$18,000 last year, according to a report by Sageworks, a financial analysis firm.

“Private employers are either able to make more money with fewer employees or have been able to make more money without hiring additional employees,” Sageworks analyst Libby Bierman told Reuters. “The lesson learned for businesses during the recession was to have lean operations.”

The enormous fall in US labor costs and the casualization of the workplace have led US and international manufacturing corporations to “re-shore” production that had been moved to lower-cost countries such as China and Mexico. “Our analysis suggests that the US is steadily becoming one of the lowest-cost countries for manufacturing in the developed world,” the Boston Consulting Group, a management consulting company, wrote in a report published last week.

The move by companies to slash workers’ hours and benefits is not a hostile “backlash” against “Obamacare,” as the administration’s apologists claim. It is entirely in line with the letter and spirit of the measure, which is designed to slash health care costs

for corporations and the government by reducing the care available to millions of Americans. In addition to hundreds of billions of dollars in cuts to Medicare, the program encourages the rationing of drugs, tests and procedures to make health care in the US even more directly linked to class and income status.

Like every other aspect of the administration’s social policy, its central aim is to increase corporate profits at the expense of the broad mass of working people.



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