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Work 'Til You Drop

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Workers across the United States, and around the world, face relentless attacks on our retirement rights and other social benefits as the bosses seek to balance their books on our backs.

In order to fund tax cuts for the wealthy and other economic “reforms,” governments around the world propose to raise retirement ages to punish workers for the temerity to live longer (many pension schemes initially offered only illusory benefits, engineered to ensure that few workers would live long enough to draw social security payments), and “adjust” inflation payments to protect against too much comfort in our old age.

Deep cuts are necessary, we are told, in order to ensure that pension schemes “remain” “viable” for future generations – the very people being displaced from the job market as older workers are forced into endless toil.

Already, the U.S. retirement age has been pushed to 67, and politicians are looking at 70. Statisticians are floating proposals to “adjust” the Social Security inflation rate in order to save more money, even though the research clearly establishes that retired workers are hit much harder by inflation (which runs especially high for medicine and other necessities) than the current calculations recognize.

Although many younger workers fear that Social Security will simply disappear (as has already happened to most pension plans in the private sector), this seems unlikely. Instead, the politicians will keep whittling away at the program, condemning the retired to ever-deepening poverty.

For most, Social Security is all there is. Workers' savings were exhausted long ago, as they went deep into debt to keep their heads above water during several decades of declining real wages. Relatively few U.S. private sector workers remain eligible for pensions, between short-term jobs that keep pension contributions from vesting and the mass conversion to underfunded (mostly from paychecks that were already squeezed to the limit) 401-K plans that are about as secure as any gambling scheme.

Even unionized workers' pensions are endangered. In Seattle, Boeing workers were recently bullied into narrowly approving a mid-contract deal undermining their pension plan in exchange for one-time payments and management backing off threats to relocate production to non-union plants. Under the deal, new workers will see their pensions replaced with 401-K plans with no guaranteed benefit levels. (However, by rejecting the deal the first time around despite the pleas of IAM officials and politicians, workers did win significant improvements, including stopping a two-tier pay scheme.)

Many workers are understandably angry. So the polytricksters are taking advantage of workers' resentment to advocate spreading the pain. Don't go looking for your gutted pensions, they cry: Look over there, at the worker who's getting something you don't have!

And so the pensions of government-sector workers (who traditionally traded lower pay for better job security and benefits – both vanishing, though the low wages remain) are under the axe. Politicians are especially keen to gut public sector pensions because for years they've been skimping on their payments, relying on high stock valuations and dreams of future

income instead of funding the plans with actual money. So they'll have to cut back on corporate welfare and prisons and such if they actually have to make good on the pensions workers were promised.

Any worker who tried to run his or her finances this way would see wages garnished, or in some jurisdictions be tossed into jail until they paid up. But the polytricksters play by a different set of rules.

In Illinois, teachers are suing to overturn pension "reforms" that seek to save \$160 billion by cutting cost-of-living increases, raising the retirement age, capping benefits, reducing collective bargaining rights, and opening the door to 401K-style plans that could weaken current plan funds and increase workers' financial risk. Several states are considering similar "reforms."

Meanwhile, a federal bankruptcy judge ruled in December that Michigan's constitutional requirement that pension obligations for public employees must be honored was unenforceable if it meant that bankers and bond-holders would take a bigger hit in Detroit's bankruptcy proceedings. (The judge is also considering requiring the city to sell art from its museum, city parks, and other assets in order to get as much cash as possible to the financiers.) No state's constitution offers stronger pension protection, and since few states have been properly paying into their plans benefits for millions of workers could be in jeopardy. Like other bankruptcy courts around the U.S., the judge considers the city's pension obligations mere "unsecured debt," and so last in line to be honored.

There was a time when workers relied on our own unions and mutual aid associations to meet these needs. There were certainly problems, but what could be more foolish than trusting the bosses and the polytricksters with our futures?