

Unemployment skyrockets throughout Europe

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Unemployment has reached a 10-year high in Europe.

The official jobless rate in the 16-nation euro currency zone rose to 9.5 percent in May, from April's 9.3 percent.

The European Union (EU) statistics office Eurostat revealed that 273,000 people lost their jobs in May. The Eurostat figures are based on the EU Labour Force Survey and recorded the eurozone unemployment total in May at 15.13 million people.

According to Eurostat, 3.4 million people in the eurozone were made unemployed in the year from May 2008, when the number of jobless stood at 7.4 percent.

Across the wider, 27-nation European Union, the May unemployment rate stood at 8.9 percent, as the number of unemployed rose by 385,000 to 21.5 million. Since May 2008, when unemployment stood at 6.8 percent, a further 5.1 million people have been added to the jobless rolls.

The unemployment rate in Spain is the highest in the EU at 18.7 percent, an increase of nearly 1 percent since April. In May 2008, the rate in Spain was 10.5 percent. Nearly 4 in 10 young people (37 percent) in Spain are jobless.

Latvia has a jobless rate of 16.3 percent, up from 15.3 percent in April.

The largest economy in the eurozone, Germany, had an unemployment rate of 7.7 percent in May. The second largest, France, recorded an increase in unemployment to 9.3 percent from 9.1 percent. In Italy, unemployment stands at 7.4 percent. Portugal's unemployment rate is 9.3 percent, up from 7.6 percent last May.

Martin van Vliet, an economist at ING, said, "May's sharp increase in eurozone unemployment demonstrates that the 'green shoots of recovery' are not yet showing up in the labour market."

Nick Kounis, an economist at Fortis, predicted that unemployment will continue rising, saying, "We see the unemployment rate peaking at around 11.5%...at the end of next year."

The official unemployment count is certain to surpass the European Commission's (EC's) already revised eurozone

unemployment forecast in the next few months. The commission revised its own prediction in May, stating that unemployment would be at 9.9 percent by the end of the year. It had previously forecast a rate of 9.3 percent. The EC now predicts that the rate will increase further yet to 11.5 percent in 2010.

The Eurostat figures only detail the official figures in the euro currency zone as of May. Since then, the unemployment rolls have continued to grow dramatically.

Figures from the German Federal Labour Office reveal that in June, unemployment rose by 31,000 on May's number. The seasonally adjusted unemployment figure now stands at 3.495 million in Germany, up to 8.3 percent.

According to the French Economy Ministry, unemployment increased by 36,400 in May to reach a total of 2.543 million. The rise marked a 1.5 percent increase on the previous month and a massive 26.4 percent jump over the past year. Unemployment is particularly high among the younger generation. Over the past year, unemployment among those under 25 has risen by 41.1 percent.

In Britain, which is not part of the euro currency zone, according to the Office for National Statistics (ONS), unemployment increased by 244,000 for the last quarter and had reached 2.2 million. The quarterly increase in the jobless rate was the biggest since 1981, and the total number of jobless stood at its highest rate since 1996.

These official figures mask what is in fact a far higher unemployment crisis. According to research carried out by www.marketoracle.co.uk, "the unemployment statistics are heavily manipulated to under report true unemployment which would be nearly 6 million higher if all those of working age (16 to 64) were included in the data."

It added that the "real number of unemployed in the UK now stands at 7.86 million for November [2009]."

Several leading economists in Britain have forecast that official unemployment will continue to rise by the tens of thousands each month; 3 million may be jobless by the end of this year.

Those predictions were borne out by statistics published at

the end of June by the Office for National Statistics, revealing that the UK economy contracted by 2.4 percent in the first quarter of 2009, the most precipitous decline in 51 years. Economic output shrank by 4.9 percent in the first four months of 2009, the biggest year-on-year decline on record.

The UK economy has actually been in a state of recession for a full year, a longer period than first acknowledged.

Short-time working and unemployment

In response to rising unemployment, various government officials and employers are calling for the imposition of short-time working schemes, in the name of supposedly “defending jobs.” These schemes allow firms to drastically cut or even cease production for a period, with their workforce forced to accept savage wage cuts.

Commenting on the Eurostat unemployment statistics, van Vliet said, “It would have been higher still if not for the short-time working schemes in some eurozone countries such as Germany and the Netherlands, where recent increases in unemployment have been less severe.”

As of January, more than 170,000 workers in Germany’s auto industry had been put on short-time working. This month, it was announced that BMW plans to extend short-time working at its German plants into the second half of the year, including those in Munich, Berlin, Dingolfing and Landshut.

The Keep Britain Working group published research based on a survey in June revealing that more than half of those polled, 54 percent of 1,600 workers, had their pay cut, hours reduced or benefits slashed in the previous nine months.

On July 6, the Confederation of British Industry (CBI), the main business lobby organisation, called for the introduction of a scheme that would create conditions in which employees would forfeit their employment for a period whilst receiving a paltry “wage” as an “alternative to redundancy.” According to the *Financial Times*, “Staff placed on the scheme by their employer would not work for up to six months and would be paid a weekly allowance of double the jobseeker’s allowance—£64.30 for those over 24—co-funded by government and employers.”

Such a scheme would not protect employees in any way. The *Financial Times* adds, “Employees could continue to seek work and the company could take them back when the six months ended or earlier if business improved. But if demand failed to pick up, the staff could be made redundant....”

While feigning concern at the miserable pay being proposed under the scheme, Brendan Barber, the Trades Union Congress general secretary, made clear that the unions’ opposition to the proposal was rooted first and foremost in the needs of business. He said, “This inflexible and underfunded scheme is not fit for purpose. It would deny businesses the support they need to vary hours and working patterns during a recession, while leaving workers on poverty wages.”

Rapidly escalating unemployment will have a vast impact on the wages and conditions of all workers. In a period of relatively high employment, the use of the unemployed as a “reserve army of labour,” as described by Karl Marx, to drive down wages and conditions is constrained by their relatively small numbers, the social benefits provided to the unemployed and labour market regulation on wage rates, etc.

Today, under conditions of a global recession without parallel since the 1930s, workers are being thrown out of their jobs by the millions. The threat of mass unemployment, alongside attacks on the social “safety net” of the welfare state, is being utilised by global capital to impose unprecedented attacks on the jobs, wages and conditions.

More astute bourgeois commentators are acutely aware of the social consequences of such an assault. Writing in the July 4 *Daily Telegraph* (“The unemployment time-bomb is quietly ticking”), Ambrose Evans-Pritchard commented, “One dog has yet to bark in this long winding crisis. Beyond riots in Athens and a Baltic bust-up, we have not seen evidence of bitter political protest as the slump eats away at the legitimacy of governing elites in North America, Europe, and Japan. It may just be a matter of time.”



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