

# Britain's official unemployment tops 2.5 million

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UK official unemployment has reached 2.5 million, according to the Office for National Statistics. Hardest hit are young people aged between 16 to 24 years of age, among whom nearly one in five are without work, about one million in all.

The ONS figure covers the three months to November 2010. The fact that joblessness rose by 49,000 during the span exposes the Conservative/Liberal-Democrat government's claim that job cuts in the public sector will be "offset" by growth in the private sector.

The figure does not include the impact of the government's austerity measures unveiled at the end of October, which will wipe out some 350,000 jobs across the public sector over the next four years. According to the GMB union, local authorities have already announced 125,000 job losses over the next months. The latest figure includes some 157,000 redundancies, up 14,000 on the quarter.

More than a third of unemployed people have been out of work for more than a year, up by 15,000 on the previous quarter. This compares with one-fifth at the start of the recession. The numbers working part-time because they cannot find full-time work rose by 26,000 to 1.15 million—the highest level since 1992.

Young people are finding it increasingly difficult to find work. There was a particularly sharp rise in the number of 16 and 17 year-olds registered as unemployed, from 177,000 to 204,000.

One factor in the rise in youth joblessness is that the number of older people working past the accustomed age for retirement is rising. Those aged 65 and over still working grew by 106,000 over the past year. They are doing so largely because they cannot afford to retire.

Youth unemployment is set to rise even more, with a

record number of graduates—320,000—expected this year.

In addition, the government is pressing ahead with plans to abolish the Education Maintenance Allowance. Its scrapping played a significant role in the student protests of the last months, as tens of thousands of working class youth took to the streets in opposition. The grant—which allows a £30 per week maximum stipend—is currently paid to 16-18-year-olds living in households earning under £30,800. The overwhelming majority of teenagers receive EMA. A survey by the University and College Union found that 70 percent of students would leave education if it was withdrawn.

The unemployment figures were released as the investment bank Goldman Sachs announced it was paying out £9.6 billion in pay and bonuses. While the announcement led to a chorus of complaints in the media, the government is currently negotiating with UK banks to find a compromise that will help them conceal the pay and bonuses of their top earners.

The Royal Bank of Scotland, which is 85 percent owned by the government, is to pay out £1 billion, while Barclays is thought to have offered its chief executive, Bob Diamond, £8 million in bonuses for this year. Diamond appeared before the Treasury Committee last week as part of its hearing into competition in the banking sector. While refusing to tell MPs whether he would be accepting the payment, he insisted that the "biggest issue is how do we put some of the blame game behind us? There was a period of remorse and apology for banks [following the 2008 crash]—that period needs to be over."

The government had pledged to make bankers pay more "transparent", but is now backtracking in the face of hostility from the financial sector. The UK's banks are opposed to measures that will force them to reveal

the salaries and bonuses of their highest paid employees. According to the *Financial Times*, RBS and Barclays, “which have big investment banking divisions, fear that disclosure of star traders’ pay could lead to a ‘witch-hunt’ and that the vilification of individuals in the media could drive some out of Britain.”

Chancellor George Osborne is said to be exploring a “New York” model in which Wall Street banks have to detail the remuneration of their five top-paid executives, but only those with “operating responsibilities”. Osborne has already rejected a recommendation that all pay above £1 million should be disclosed.



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