UK unemployment rises, with youth badly hit

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Government figures released this week show a sharp rise in UK unemployment to 7.9 percent in recent months, as widespread public sector job losses and private sector stagnation take their toll.

The figures were released just days after youth rebellions in London and other cities in England. The political establishment and the media joined forces to insist that social deprivation and joblessness played no role in the disturbances, but the official statistics prove otherwise.

UK unemployment increased 1.8 percent to 2.49 million in the three months to June this year—an additional 154,000 people out of work.

Youth unemployment is moving towards the 1 million mark, reaching 950,000 over the past few months, as 20.2 percent—one in five—of those between the ages of 16 and 24 are unable to find work. Almost 100,000 of these have been unemployed for two years or more.

Amongst school leavers, aged 16 and 17, almost one in two job seekers are without employment. These levels of joblessness amongst young people are now comparable with that during the early 1980s, a grim period for young workers, but this is set to worsen.

Unemployment among women is now the highest since 1988—rising by 21,000 to 1.05 million.

These increases are the result of a virtual stagnation in the UK economy. UK GDP rose by just 0.2 percent this quarter. The threat of a repeat of the recession that followed the 2008 financial crash is becoming increasingly imminent, given the recent shocks on the world stock markets and the gathering debt crisis in Europe.

The North West region has been particularly affected, with the number of jobless up by 13 percent to a total of 300,000 without work. This region's major cities, Manchester and Liverpool, both contain areas affected by the recent rioting.

London—where the disturbances were sparked by the police killing of 29-year-old Mark Duggan—is also badly hit. Official unemployment stands at 406,000 in the capital, the first time it has risen above 400,000 in 15 years. This is almost 10 percent of those economically active in London—a figure only surpassed by the North East region, where it is 10 percent.

Data published by the *Guardian* indicates that two-fifths of the more than 1,000 predominantly young people so far prosecuted for involvement in the disturbances live in the poorest areas of the UK.

Another report published by the Trades Union Congress (TUC) indicates that the three boroughs of London most affected by rioting—Hackney, Tottenham and Lewisham—are amongst the top 10 most difficult places to find work in the country.

In Hackney, an average of 22 applicants compete for every job vacancy. The figure in Haringey, where Tottenham is located, is 29 applicants per vacancy; 21 applicants per vacancy compete in Lewisham.

An investigation by Children & Young People Now revealed that budgets for youth services, including the Connexions careers advice service, in these areas have been dramatically cut back in recent years, with more cuts on the way. Haringey saw a 61 percent cut this year, with 30 percent cuts predicted next year. Young people's services have been slashed 30 percent in riot-hit Salford this year, with further cuts of 18 percent in the pipeline. The London borough of Lambeth saw a reduction of its youth funding from £8.9 million to £6.2 million for the next financial year.

These figures point to the bleak future facing young people across Britain as opportunities become increasingly scarce. They are an indication of what young people can expect as the Conservative/Liberal Democrat coalition government imposes an austerity agenda without precedent in recent decades.

Unemployment numbers are to be swelled by the

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large number of university graduates now trying to enter the job market. The unemployment rate for those within two years of graduation has doubled since the 2008 financial crash to one in five.

In addition, many young people hoping to enter university this year have been unable to find places. There has been a desperate scramble for university places as potential students seek to avoid next years' trebling of tuition fees to £9,000. But the number of places available has fallen. The clearing process, whereby applicants who initially failed to gain a place at their chosen institution are allocated courses elsewhere, saw 192,000 students competing for just 29,500 places.

Many workers have been forced to work part-time, or on a self-employed basis due to the lack of full-time jobs. Those in part-time/self-employment rose by 83,000 in the three months to June—a total of 1.26 million workers. They will be without any employment contracts as a whole, denied access to sick pay and holiday entitlements.

Employers are using the rising unemployment rolls to squeeze wages. Average weekly earnings grew just 2.2 percent in the last quarter. With inflation running at double this amount, this is actually a decline in real wages. In the retail, hospitality and public sectors, annual wage growth measured over the same timeframe was less than 2 percent.

This economic insecurity and joblessness takes place under conditions of soaring prices, especially in basics such as utilities, transport and food. Only last week it was announced that British Gas will hike electricity and gas prices by 16 and 18 percent respectively, while rail fares are set to increase by an average of 8 percent next year.

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