

UK unemployment reaches 17-year high

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A further 129,000 people joined the ranks of the UK's unemployed in the three months to September, figures from the Office for National Statistics revealed Wednesday.

Fully 2.62 million people are officially out of work, the highest level in 17 years—a rate of 8.3 percent of the economically active population.

Among youth and young workers aged 16-24 years of age, the unemployment rate is more than double that at 21.9 percent. Youth unemployment grew by 18,000 in the last two months alone to 1.02 million—the highest level since records began in 1992. More than one-fifth of young people are officially classified as unemployed, comprising more than a third of total joblessness.

An indicator of how scarce jobs have become is the record number of applications for seasonal employment over the Xmas period at Royal Mail. A record 110,000 people applied for the 18,000 temporary jobs.

The government immediately sought to blame the figures on the crisis in Europe. Employment Minister Chris Grayling asserted that the statistics “show just how much our economy is being affected by the crisis in the eurozone.”

“Our European partners must take urgent action to stabilise the position”, he said.

The claim is spurious. The full ramifications of the eurozone crisis—and the severe austerity measures being implemented in countries from Greece and Portugal to Italy and France—have yet to really hit the UK. Joblessness grew sharply as a result of the global financial breakdown in 2008, and was increased by the major spending cuts implemented by the Conservative-Liberal Democrat government. Some 111,000 jobs were lost in public services in just three months up to June. Many more have gone since then.

The statistics on youth joblessness confirm this. In May 2004, just over 12 percent of young people—one in eight—were out of work. This rate increased slowly year

on year, but surged after 2008. In May 2008, 14.8 percent of youth were jobless. As billions were pumped into Britain's banks, youth unemployment jumped to 19.8 percent in May 2009.

The coalition government's decision to abolish Education Maintenance Allowance, triple tuition fees and cut higher education spending for 16 to 18 year olds by 15.8 percent has meant that many young people have been priced out of higher education. And those able to still attend are increasingly likely to be unemployed when they finish their study.

Official statistics as always mask the full extent of youth unemployment. Many of those aged 16-18 are unable to claim benefits and therefore are not counted. There has also been a sizeable increase in so-called “internships”, where young people work for nothing, or just expenses, in the hope they will eventually get a job.

In addition, as the *Guardian* exposed, under the government's work experience programme the young unemployed are working in shops and the major supermarket chains for up to two months without pay. The scheme is meant to be voluntary. However, the Department for Work and Pensions “has clarified that there is a clause which allows jobcentre case workers around the country to force the unemployed into placements”, it said.

“[I]f jobseekers ‘express an interest’ in an offer of work experience they must continue to work without pay, after a one-week cooling-off period, or face having their benefits docked.”

Many are on flexible hours, on call at virtually any time, and are “doing up to 30 hours a week of unpaid labour.”

The situation is set to worsen. The Bank of England slashed its growth forecast for next year to just one percent. In a statement, Mervyn King, head of the BoE, said the euro crisis meant “the journey to a balanced economy will be long and arduous. ... Outlook for world

growth has worsened, and this is also true in the UK. Activity could be flat until middle of next year. This is a difficult economic environment. Growth over the next few quarters is likely to be markedly worse than predicted in August.”

The Office of National Statistics also revealed that total pay, excluding bonuses, rose by just 1.7 percent in the quarter to September. With the annual inflation rate at 5.2 percent, this represents a significant decline in real pay. King claimed inflation would “fall sharply at the start of next year,” but admitted that the impact of the euro crisis meant this “is particularly uncertain”. “We do not have a crystal ball”, he said.

In fact, the government is well aware of what it is doing. As is the case across Europe, it is utilising high levels of unemployment to drive down wages and conditions. Wages freezes and cuts are now the norm across the private and public sector. In addition to the government’s bogus work schemes and similar measures, its Welfare Reform Bill is intended to depress wage rates still further.

In particular, the Bill removes the automatic provision of “top-up” welfare benefits currently available to the low paid and part-time workers. A single Universal Credit is to be created, under which claimants will be expected to increase their working hours to qualify, or lose their entitlement altogether. This includes housing benefits.

Part-time workers will be told they must earn a minimum of £212.80 a week. If they fail to extend their working hours, or take on other employment to achieve that amount, the credit will be stopped. Single parents are to be particularly affected by the change.

Brendan Barber, general secretary of the Trades Union Congress, used the ONS release to criticise government policy. But the TUC has played the lead role in facilitating the assault on workers’ jobs and conditions, abandoning an entire generation to super-exploitation. It has not led a single struggle against the mass lay-offs that have taken place, nor the assault on wages. The trade unions were conspicuously absent from the mass mobilisations of young people that took place over the last year against the attack on higher education. Nor have they done anything to prevent the young unemployed being used as a free labour force.

It is not that the trade unions are simply absent from any fight back. They are working hand in glove with

the coalition.

Barber called for the government to guarantee “a job or high quality training to every young person out of work for six months”. His statement came as the government held a breakfast meeting with representatives of the Confederation of British Industry and other business leaders. According to reports, the trade bodies had pressed for the “financial incentives” to help businesses employ young people including reducing National Insurance contributions for those aged 16 to 24.

While the detail is short, the only result of this will be further schemes aimed at establishing ever-lower wage rates and working conditions. The government has made clear that it hopes to use European instability to press for a renegotiation of regulations covering working hours and workers’ rights.



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