As unemployment soars, child labour returns to Europe

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4 April 2012

The latest figures released by the official European Union statistics agency Eurostat reveal that unemployment across the euro zone rose for the 10th consecutive month and topped 17 million, or 10.8 per cent of the workforce, in February. The official jobless rate is the highest since the introduction of the euro 15 years ago and represents an increase of 1.5 million unemployed compared to one year ago.

The overall estimate of 17.1 million unemployed conceals considerable differences between individual European countries. The highest level of unemployment was registered in Spain, at 23.6 percent overall and more than 50 percent of those under 25 out of work. In second place was Greece at 21 percent. At the bottom of the list are a number of northern European countries such as Austria, with just over 4 percent, and Germany, with an official unemployment rate of 5.7 percent.

There is good reason to believe that the Eurostat figures grossly underestimate the real unemployment problem in Europe. While Eurostat reports 5.7 percent unemployment in Germany, the German Labour Agency estimates unemployment in the country at 7.2 percent. An extrapolation on the basis of the discrepancy between the official German figure and the EU evaluation puts the total number of unemployed throughout the euro zone at well over 21 million.

Neither the national nor the European unemployment statistics take into account the rapidly growing problem of the underemployed in Europe, i.e., those workers who have a low-paid, part-time job and are seeking a regular job at adequate wages. This problem of underemployment is particularly pronounced in Germany, where 7.5 million people are currently employed in jobs for which they receive the fixed sum of 400 euros per month.

This huge cheap labour jobs market has led to a dramatic increase in poverty for both the unemployed and millions of employed workers in Germany. It is at the heart of the so-called “German economic model” that is increasingly being touted as the prototype for all of Europe by politicians and financial institutions.

The latest increase in unemployment is a direct consequence of the austerity measures imposed across the continent by the European Union and the International Monetary Fund, which have plunged broad swathes of Europe into recession. Ireland, Greece, Belgium, Portugal, Italy, the Netherlands and Slovenia are all officially in recession. Growth is minimal in Britain and declining in France and Germany.

The trend toward recession has been confirmed by the latest purchasing managers’ index (PMI), an important measure of economic activity in the euro zone. It fell from 49 in February to 47.7 in March. Any figure under 50 is regarded as an indication of recession. It has now been below 50 since last August.

According to Markit, which publishes the PMI indices, euro zone manufacturing employment fell in March at the fastest rate for the past two years, with exceptionally weak numbers for the French economy. Economic activity also slowed in Germany. Demand for German goods has contracted not only in Europe, but also in Asia, where China is undergoing its own economic slowdown.

Against a background of mounting price inflation, Markit anticipates a further economic downturn in the coming months. The shrinkage of European manufacturing will reverberate in the form of more job losses.

Commenting on the latest figures, economist Martin van Vliet at the ING banking group declared that the

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PMI increase “casts a dark cloud over growth prospects for the region”, with high unemployment across much of southern Europe reflecting “the short-term economic pain inflicted by draconian austerity programmes”.

Rather than resulting merely in “short-term economic pain”, the draconian austerity measures referred to by van Vliet will blight the lives of millions of European families for decades to come.

The extent to which the current austerity policies have devastated living standards in Europe was underlined by an article published in the French newspaper *Le Monde* last week on the return of child labour to the continent.

Under the headline “Child Labour Re-emerges in Naples”, the article describes how thousands of children have been forced to quit school and find jobs in order to help feed their families in the southern Italian metropolis. The article cites a local government report from 2011 which noted that 54,000 children left the education system in the Campania region between 2005 and 2009. Some 38 percent of these children were less than 13 years old.

The article goes on to record how child labour has become a fact of life in the region, with small children involved in a broad range of occupations. The deputy mayor of Naples is cited as saying: “Of course, we were the poorest region in Italy. But we haven’t seen a situation like this since the end of the Second World War… At age 10, these kids are already working 12 hours a day, which is a clear breach of their right to development”.

The *Le Monde* article points out that the desperate plight of children and youth in the region is a direct result of the austerity measures and financial “reforms” introduced by a succession of Italian governments. These have sharply reduced or eliminated access to federal welfare benefits for the unemployed and poor.

The main support for young people and their families in the region is provided by local associations, which are increasingly being starved of funding. The article notes that 20,000 workers in such schemes in the Campania region have not received pay for the past two years.

The re-emergence of child labour is not an Italian question. Two hundred years after the birth of the novelist Charles Dickens, who graphically portrayed the consequences of such practices, child labour is a problem which now confronts all of Europe. It is a devastating indictment of the political consensus in Europe, including social democratic parties and the trade unions, which back the euro zone and its policies.

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