Euro zone unemployment hits record high for 23rd consecutive month

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Unemployment in the euro zone hit another record in March, climbing for the 23rd consecutive month, with no end in sight to the economic and social catastrophe gripping Europe.

The unemployment figures came as hundreds of thousands of people marched throughout Europe and Greek workers launched a one-day general strike in opposition to the austerity measures being carried out across the continent.

The official unemployment rate in the 17-member euro zone hit 12.1 percent, the highest level on records dating back to 1995, according to figures published Tuesday by Eurostat, the statistical office of the European Union. This is an increase of 1.1 percentage points from a year earlier.

There were 19.21 million people unemployed in the euro area, a number that has grown by 1.72 million in the past year.

The countries that have undertaken the most savage austerity measures—Greece, Spain and Portugal—posted Depression-era unemployment rates, with 27 percent of the population of Greece officially unemployed, followed by Spain with 26.7 percent and Portugal with 17.5 percent.

Unemployment grew in 19 of the 27 European Union member states. Greek unemployment increased by an extraordinary 5.7 percent in the past year, to 27.2 percent, while Cyprus, the latest country to receive an EU bailout, saw its unemployment rate swell from 10.7 percent to 14.2 percent in the past year.

Youth unemployment has reached epidemic proportions in much of the continent, with 5.5 million young people unemployed throughout the EU. The youth unemployment rate in Greece hit 59.1 percent in January, while that of Spain reached 55.9 percent and the rate in Italy reached 38.4 percent.

Even with joblessness continuing to surge, the ruling elite has made clear that it has no intention of retreating from its drive to make the working class pay for the crisis. On Sunday, the Greek Parliament approved a plan to lay off 15,000 civil servants by the end of next year as part of a bill securing the next round of bailout funds.

Even as social services are being gutted, countries throughout Europe are implementing policies that will transfer hundreds of billions of euros into the coffers of the wealthy. French President François Hollande announced plans to slash the country’s capital gains tax rate Monday, a move that will overwhelmingly benefit the very rich. The proposal is a “strong sign that France is a good place to invest and that we are business friendly,” said Fleur Pellerin, the government’s small business minister.

The European Central Bank is expected to cut interest rates further on Thursday, taking its lead from the US and, more recently, Japan in coupling attacks on the working class with the creation of asset bubbles to increase the wealth of the super-rich.

The extraordinary moves by central banks to expand the money supply have fueled a stock market rally, with nearly all global stock markets up significantly. Europe is no exception. In the last ten days, the French CAC has risen by 5.6 percent, the German DAX by 6 percent, and the Spanish IBEX by 6.4 percent.

This is despite a series of disastrous economic figures throughout the world, including a slowdown in China and worse-than-expected gross domestic product growth and private payroll growth in the United States.

A report last week by the Bank of Italy declared that industrial production in that country had collapsed by a quarter over the past five years, while unemployment nearly doubled.

Spain, the euro zone’s fourth largest economy, shrank for the seventh quarter in a row, according to data released Tuesday. The economy contracted by 1.37 percent in 2012, the second worst annual decline since 1970. Meanwhile, Slovenia moved closer to bankruptcy after Moody’s downgraded its credit rating Tuesday.

The vast cuts to social spending being implemented throughout the continent are having a devastating impact on the population, particularly in countries such as Greece and Spain that have implemented brutal austerity packages as a precondition for receiving bailout funds.

The effects of these policies are summed up by two researchers, David Stuckler of Oxford University and Sanjay Basu of Stanford University, in a book to be published this week entitled *The Body Economic: Why Austerity Kills* .

They note that the cutting of HIV prevention programs in Greece has led to a doubling of infection rates since 2011. The spread of the virus has also been driven by a vast increase in drug use, fueled by the desperation caused by mass unemployment and poverty. The country has seen the first outbreak of malaria in decades, after programs to manage mosquito populations were cut back.

Confronted with regressive tax increases on fuel, Greeks cut their consumption of heating oil by 35 percent between 2011 and 2012, resorting to heating their homes with firewood, sales of which have doubled in the past few years.

“The harms we have found include HIV and malaria outbreaks, shortages of essential medicines, lost health care access, and an avoidable epidemic of alcohol abuse, depression and suicide,” said Stuckler. “Austerity is having a devastating effect.”

In an earlier study, researchers found that the suicide rate for men in Greece grew by 24 percent between 2007 and 2009, and that suicides caused by economic hardship in Spain grew by 52 percent between 2005 and 2010.

Despite the worsening slump, major European banks are thriving. UBS, the Swiss bank, and Lloyds Banking Group of Britain posted higher-than-expected profits for the fourth quarter of 2012, causing share prices for both banks to surge.

Five years into the global economic crisis, there is no prospect for improvement within the framework of the capitalist system. Every new manifestation of the crisis prompts redoubled attacks on the working population, coupled with policies that enrich the ruling class while sowing the seeds for an even more catastrophic financial collapse.