



UNEMPLOYMENT



EUROPEAN REGIONAL OFFICE - WFTU

Introduction

Unemployment as an inherent characteristic of capitalism has become a way of life for tens of millions of working people all over the world.

It is the capitalist system which is responsible for unemployment; a system which has as its sole goal the maximisation of profit and perceives the labour force as a cheap commodity. The existence of mass unemployment is a precondition for cheap labour or what Marx himself termed a reserve industrial army. The exploitation of labour is the source of profit, given that cheaper labour means greater profitability for capital.

On the other hand, capital having the greatest possible profitability as its fundamental criterion chooses branches and sectors of the economy that it will invest in and in many cases enterprises are transferred elsewhere. Within this framework for example the car factories in Belgium have been closed down and transported their work to other countries with lower wages. The export of capital in the hands of the monopolies is a powerful weapon to extend their domination and arena of capitalist exploitation.

The outbreak of the world capitalist crisis is making the position of working people even more difficult since the prospect of finding a job is increasingly being restricted after the mass dismissals of workers throughout the world, resulting in high unemployment rates in societies all over the world representing the harshest expression of the global crisis.

In addition, the consequences of the globalisation of the capitalist economy, namely unemployment, is assuming the form of globalised unemployment whereby millions of people remain for ever or for many years unemployed facing tough social consequences such as social exclusion and marginalisation, forcing many people to emigrate, as well as the growth of racism and ultra-right parties.

ILO and unemployment

The ILO itself has warned about the impact unemployment will have on the cohesion of societies with the increase in crime and depression, the increase in the use of drugs, whilst "the dangers of social unrest are growing" mainly in the advanced countries.

As is known, unemployment to a great extent mirrors the growth rate of the economy.

As the International Labour Organisation (ILO) points out in its last Report the tough austerity is strangling any hope of growth. More specifically it warns that in Europe due to the severe fiscal measures and dramatic reforms in the labour market the employment percentages will not return to the pre-crisis levels before 2016. On the contrary, it estimates that the unemployment rates, particularly in the countries in the South of Europe because of severe austerity will lead unemployment to unprecedented levels.

In its Report about the trend of employment in 2013, the International Labour Organisation forecasts that unemployment will increase by 5.1 million so that the total number will rise to 2002 million, exceeding the record number recorded in 2009. Furthermore, it forecasts that unemployment will increase further in 2014 and that the unemployed will rise to 205 million.



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Unemployment in Europe

In the EU Greece continues to register the highest unemployed rate with an overall percentage of 27% and 62.5% among young people under 25 years old in February 2013 according to the European Statistical Service EUROSTAT.

It should be noted that the figures published by EUROSTAT refer to April 2013, whilst for Greece they concern February 2013.

According to EUROSTAT in April 2013 unemployment in the Eurozone recorded a slight increase compared to March, namely from 12.1% to 12.2%, whilst in the 27 EU member states unemployment remained stable at 11%. The unemployed within a month increased by 104,000 in the 27 member states and by 95,000 in the Eurozone. Overall, 26,588,000 unemployed persons were registered in the EU and 19,375,000 in the Eurozone.

The highest levels of unemployment in the EU are registered in Greece (27% in February), Spain (26.8%) and Portugal (17.8%). The lowest rates of unemployment are in Austria (4.9%), Germany (5.4%), Luxembourg (5.6%) and Holland (6.5%).

In addition, in Greece the biggest increase in unemployment has been recorded in a year (from 21.0% in February 2012 to 27% in February 2013). After Greece the biggest increase has been recorded in Cyprus (from 11.2% to 15.6%), Spain (from 24.4% to 26.8%) and in Portugal (from 15.4% to 17.8%). Italy reached unemployment top since 1977, 390,000 unemployed persons more than 2012; total unemployed persons is 3,200,000 equal 12.5 %

But more serious situation is about youthful unemployment, from fifteen to twenty four years old.

This unemployment reached 40% equal 650,000 persons. The increase of 4.4% compared to 2012.

The big and deep shrinking of the Cyprus economy as a result of the Eurogroup agreement with the Anastasiades government and the Memorandum which was drawn up and is being implemented since March 2013 had led to a dramatic increase in the number of unemployed. Unemployment is expected to reach 17% for the whole of 2013. According to the monthly figures of EUROSTAT since and after May Cyprus has recorded the biggest percentage increase in unemployment among the EU member states in comparison to a year ago. Based on the latest figures of EUROSTAT in September unemployment in Cyprus was 17.1% and registered an increase of 4.4% in comparison to the corresponding period last year. With regards youth unemployment this is assuming explosive dimensions, given that 43.9% of young people up to 25 years old are unemployed.

Unemployment and Youth

Young people are particularly affected by unemployment since today the youth, the liveliest and more creative section of society as the most vulnerable category of working people are experiencing the consequences of the global economic crisis and anti-worker policies on a daily basis.

As a result of these practices and policies, today's young generation is among the most vulnerable groups of society and is confronted with unemployment and uncertainty about the future. With the exacerbation of the phenomena of the capitalist crisis the inability of the capitalist system to provide solutions to young people's basic problems and to ensure their fundamental rights has been exposed.



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As a result young people are becoming a victim of flexible forms of employment and are without the protection of a collective agreement, suffering from discrimination, marginalisation and social exclusion. Young working people are forced to work in various forms of flexible employment, such as part-time work and personal contracts in unhealthy working conditions and without trade union rights.

Today young people are called upon to live in a harsh and competitive environment where the right to work is subordinated to invoking competitiveness and the attempt to maximise profit. Unemployment is a nightmare for every young person. Since 2012 the ILO has been warning about unemployment creating a lost generation among young people.

Today within the European Union 27 million people are unemployed and outside the labour market with all the dramatic social consequences this entails, whilst at the same time the numbers of young people unemployed have risen sharply.

According to figures released by the statistics authorities, in February 2013 unemployment among young people had reached 64.20% in Greece (from 50.40% in the respective month in 2012), to 55.50% in Spain (from 50.5% in 2012), 38.7% in Italy (from 31.90% in 2012), 38.60% in Portugal (from 35.40%), 35.90% in Slovakia, 30.80% in Ireland, 28.40% in Cyprus, 26.90% in France, whilst the percentage is almost 20% in Belgium, Finland, Luxembourg and Estonia. The corresponding percentages for the 27 EU member states and the Eurozone amount to 23.60% and 24.20% respectively, that is to say 5,694,000 and 3,581,000 young unemployed people under the age of 25. The overall percentages of employment among young people over the last four years fell five units, from 37.30% to 32.80%, that is to say three times higher than older workers.

Unemployment and poverty

A recent report of the European Parliament on combating poverty and social exclusion illustrates in the most vivid way the new mosaic created in Europe of the poor, unemployed and socially excluded. According to the figures in the Report, the people living below the poverty line in Europe since 2009 - in just two years that is - has jumped from 80 million to 116 million, with a continuous increasing trend. According to forecasts issued by the organisation Oxfam the poor in Europe due to the harsh austerity measures are expected to reach 146 million by 2025.

The outbreak of the international capitalist crisis has worsened the situation and has had a devastating impact on the area of Europe which working people are experiencing daily.

In the EU today millions of people are searching desperately for work and experiencing the drama of unemployment, while at the same time millions of people are threatened by poverty. The characteristic feature of this threat is that it affects the middle class throughout Europe. In countries such as Bulgaria and Romania, poverty affects half of the population, whilst in the Czech Republic, the Netherlands and Sweden the poverty level ranges from 14 to 16% of the total population. All these people constitute a class of working people which in the new conditions of the capitalist crisis are forced to work in insecure jobs without social security or any other rights.

At the same time when the crisis of the capitalist system is increasingly deepening, whilst the capitalist system itself is questioning the need for organised struggle, it is clear that the only way for the unemployed, but also for all the working people, is organisation, class solidarity and struggle together with the class-based workers movement for their survival, for stable work with full rights, collec-

tive agreements, a satisfactory wage with social insurance, free benefits in health and culture.

