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More Austerity in Europe in face of Record Unemployment

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Unemployment in the euro zone hit a two-year high in April. According to the latest figures of Europe's Eurostat statistical agency published on Friday, the unemployment rate rose from 12.1 percent in March to 12.2 percent last month. Fully 24.4 percent of young workers have no job.

The highest jobless rates are found in the southern countries, which have plunged into deep recessions since 2008. At the top of the list is Greece, with an unemployment rate of 27.0 percent, an estimated economic contraction of 4.2 percent this year. A stunning 62.5 percent of youth are out of work.

Second is Spain with 26.8 percent jobless and 56.4 percent joblessness among youth. Rates in Portugal (17.8 percent unemployment overall, 42.5 percent for youth), Cyprus (15.6 and 32.7 percent), and Italy (12.0 and 40.5 percent) are likewise extremely high.

But also in Sweden, which saw mass rioting by suburban youth in recent weeks, nearly a quarter of workers under 25 years old are unemployed. In Germany the jobless rate is relatively low, at 5.4 percent, though Germany's national statistical agency by contrast estimates the figure at 6.8 percent.

In France 11 percent of the working population has no job, while at least 26.5 percent of youth are unemployed. This number has increased constantly for 24 months. France's economy is confronted with an expected recession of 0.1 percent this year.

These official Eurostat figures do not include all the people who actually do not have jobs in Europe. They downplay the total number of jobless, as the long-term unemployed, who no longer look for a job every single week, are not counted at all.

Accurate figures measuring the total number of jobless workers would therefore be even higher.

This increase in unemployment and the deep recession in many countries are the result of brutal austerity measures imposed by the European Union and the International Monetary Fund. Countries like Greece, Spain, Portugal and Italy have slashed their budgets over the last five years, dismissed hundreds of thousands of public workers, and drastically cut the wages of their remaining employees.

The European ruling elite has nothing to offer to youth of the continent but unemployment and wage cuts. That was underscored by leading politicians from Germany, Italy and France in the days before the publication of the new figures, when they presented a plan to counter youth unemployment within the EU.

Presented with great fanfare, it is in fact only an agenda for further cuts and social attacks.

German Finance Minister Wolfgang Schäuble, Labor Minister Ursula von der Leyen and their French counterparts Pierre Moscovici and Michel Sapin spoke together at a conference on Tuesday in Paris, organized by billionaire investor Nicolas Berggruen. On the same day, the four politicians published their ideas for anti-unemployment measures in the German daily *Süddeutsche Zeitung* .

In this article, they defend from the outset what they call the "inevitable consolidation of the state budgets" as well as "aggressive, courageous and visionary structural reforms", which will supposedly enable the continent to survive under conditions of "worldwide competition".

This is a description for new, deep social attacks of the type carried out by the German government in its Agenda 2010 of social cuts. These reforms led to drastic declines in wages and the destruction of labor rights. Today more than a quarter of German workers work in low-wage jobs.

According to the document, this policy should be supplemented with "impulses for employment and growth", for the benefit of the youth. A look at the concrete measures shows however that these are nothing more than a cloak for the aggressive policy of social attacks, which the authors admitted to earlier.

While stating their support for an existing European Commission plan for €6 billion in stimulus spending, they announced not a single euro of spending dedicated to youth. They only announced a €60 billion credit program by the European Investment Bank. Parts of these credits should be given to mid-sized companies, the politicians stated.

On Wednesday the European Commission drew on the same playbook, demanding further social cuts in all European countries. According to the commission, Germany has to cut non-wage labor costs—i.e., social spending—and to increase taxes on food and other basic goods in order to remain a "strong economy in the center of Europe".

European Commission President José Manuel Barroso also challenged the French government to intensify its demolition of workers' social rights, to start the reform of France's pension system and to significantly cut the cost of labor within the next 18 month. In return, the EU is granting France two more years to bring its budget deficit down to the threshold of 3 percent of GDP mandated by EU regulations.

"France lost capacity to compete over the last 10 or maybe even 20 years." Barroso said. "Our message to France is indeed quite demanding."

The final decision on the deficit threshold is to be taken by the European finance ministers at a meeting at the end of June.

Though French President François Hollande said that he would not accept a "dictate" from Brussels, he made it unmistakably clear that he aimed to meet demands to slash budget deficits and social spending. In a meeting with German Chancellor Angela Merkel (CDU), he said that "nothing is taboo. All the reforms that have to be undertaken will be done."

One week ago, Hollande had already praised the policy of German Agenda 2010 as "progress", describing it as a collection of "courageous reforms to safe employment and to anticipate social and cultural changes".

The Greek government, which is working under the direct control of the EU Commission and the IMF, just announced the implementation of the sacking of 2,000 workers—part of plans for laying off 15,000 workers in the public sector.

Among other cuts, some 45 public libraries are reportedly to be closed. This is part of a plan to eliminate 150,000 public sector jobs—through layoffs, privatization, and attrition—whose sadistic and destructive character is particularly clear, under conditions where 62.5 percent of youth are already unemployed.

At the same time, Greece is moving ahead with plans for reducing the minimum monthly wage for youth to €427—an "impulse for growth" based on encouraging business owners to hire young workers, because they can be exploited at slave wages.

That is the program of the ruling elite and the EU institution for every single country of the continent.

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