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Unemployment hits record highs in Spain, France

By Alex Lantier

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According to figures published yesterday, the number of unemployed workers in Spain and France has reached all-time highs, as Europe's economic collapse accelerates under the impact of the global economic crisis and austerity measures imposed throughout the continent.

In Spain, the National Statistics Institute (INE) reported that the country had 6,202,700 unemployed workers, the first time in history that over 6 million Spanish workers were jobless. Spain's unemployment rate rose 1.14 percentage points, to 27.16 percent, as 237,400 jobs were lost. Spanish youth unemployment has reached 57.22 percent.

Fully 3.5 million of Spain's unemployed workers have been out of work at least one year, and 2 million have been out of work two years or more. The unemployment rate would be even higher if some 280,000 young Spaniards had not left the country to look for jobs in 2012.

Nearly 2 million Spanish households have no job-related income at all, because all family members are out of work.

Since 2008, Spain has lost 4 million jobs, and the unemployment rate has increased by 20 percentage points. Spain's unemployment rate now stands second among the euro zone countries, just behind that of Greece—whose unemployment rate has risen from 7.7 percent in 2008 to 27.2 percent earlier this year, amid a wave of destructive EU bank bailouts starting in 2009.

In France the number of “Category A” job seekers—those who had not worked at all in the last month—rose to a historic high of 3,224,600. The total number of job seekers registered at the Jobs Pole in France and its overseas departments hit 5 million last month. France’s unemployment rate stands at 10.6 percent, with the youth unemployment rate hitting 25.4 percent at the end of 2012.

The record figures in Spain and France are part of a broad rise in unemployment throughout the EU, centered on countries that have undergone EU bank bailouts since the outbreak of the global economic crisis in 2008.

The EU economy has lost roughly 1.8 million jobs over the last year—leaving a total of 26 million EU citizens, or 12 percent of the work force, without a job. Among other countries hit by EU bailouts, Portugal’s unemployment rate has risen from 14.8 to 17.5 percent, and that of Cyprus from 10 to 14 percent.

The Markit euro zone Purchasing Managers Index (PMI) figures published on Tuesday show Europe’s economic decline continuing. The PMI Composite Output Index and Manufacturing figures both came in at 46.5, below the reading of 50 marking the borderline between contraction and growth. For the first time in recent months, PMI figures for Germany, the EU’s leading economic power, also indicated contraction.

Compared to the same period last year, German and Italian new car registrations in the first quarter of 2013 were down 13 percent, while registrations in France fell 14.5 percent.

Mass unemployment is reaching levels seen only during the Great Depression, affecting a majority of youth in Greece and Spain. This is primarily a result of devastating austerity policies and budget cuts imposed by the EU after the initial economic collapse of 2008. Since then, the Greek economy has contracted over 20 percent and Spain’s economy by 5 percent.

The hemorrhaging of jobs is an irrefutable indication that the hundreds of billions of euros spent on bank bailouts and social cuts in Greece, Spain, France, and other European countries have not gone to fix the economy. Rather, they have helped the European financial aristocracy preserve their wealth by looting the economy, and slashing wages and social services for the working class.

In one recent report, France’s INSEE national statistics institute found that while French living standards fell 0.5 percent from 2009 to 2010 overall, the top 5 percent of the population saw their revenues rise. For the top 1 percent of the population, the increase was a whopping €89,400.

The counterpart to the accumulation of wealth on the summits of bourgeois society was the collapse of masses of working people into misery and forms of deep poverty previously unheard of in Europe. Soup kitchens and charity medical services are now critical to the survival of large sections of the Greek and Spanish populations. (See, “Reports reveal rapid pauperisation of the Spanish working class”)

In a recent speech, International Monetary Fund Deputy Managing Director David Lipton pointed to the risk that constant social cuts will draw all of Europe into an economic downward spiral, like what happened in Greece. He said, “The euro area could find itself facing the specter of policy quicksand—in which relentless balance sheet deterioration drags the economy in deeper and blunts the impact of even bold policy adjustment. We saw that scenario play out in Japan over the last 20 years.”

The class interests underlying this policy were bluntly spelled out in a recent interview by EU Commissioner Maria Damanaki. She told Greece’s *To Vima* radio: “The strategy of the European Commission over the past year and a half or two has been to reduce the labor costs in all European countries, in order to improve the competitiveness of European companies over rivals in Eastern Europe and Asia.”

These interests underlie the defeats inflicted on every attempt by the working class in Europe to shift EU policy since 2009. Protest strikes have been ignored, and industrial action isolated by the union bureaucracy and—where it was found necessary, as in the 2010 strikes of Greek truckers, French oil workers, and Spanish air traffic controllers—smashed by the security forces. The European ruling elites see the impoverishment of the working class as a necessary measure to boost their profits and competitive position on the world stage.

The main fear driving the ruling class is that of rising anger and opposition in the working class. On Monday, European Commission President José Barroso warned that austerity policies had reached “the limit of political and social acceptance.”

Nonetheless, European heads of state are not deviating from the basic framework of austerity. French President François Hollande indicated that no new measures would be taken to deal with the ongoing economic collapse in France: “We will not have growth in 2013. The only way forward is to fully use the measures we have introduced.”

All signs point towards an eruption of class struggles between the workers and the reactionary financial aristocracy throughout Europe.

The EU’s Eurobarometer polling organization recently released a poll that found deep hostility to the EU in six European countries. Some 42 percent of Poles, 53 percent of Italians, 56 percent of Frenchmen, 59 percent of Germans, 69 percent of Britons, and 72 percent of Spaniards said they did not trust the EU as an institution. Together, these countries total over two-thirds of the EU population of 500 million.

Hollande’s poll ratings have collapsed to 26 percent, the lowest ever for a French president in the Fifth Republic, while Spanish premier Mariano Rajoy’s ratings dropped to 19 percent in February.