

UNEMPLOYMENT IN THE AGE OF AUSTERITY, 12.10.15

Stephen McMurray

Definitions

Unemployed

Refers to people without a job who were available to start work in the two weeks following their interview and who had either looked for work in the four weeks prior to interview or were waiting to start a job they had already obtained.

Unemployment Rate

Unemployed as a percentage of the economically active population.

Economically Active

People who are in employment or are actively seeking employment

Statistics (Annual Population Survey)

Jan-Dec 2007: Number of unemployed **1,579,700** (5.2%)

Peaked between Jul 2011-June 2012: Number of unemployed **2,551,700** (8.2%)

April 2014-March 2015: Number of unemployed **1,920,800** (6.1%)

Worst hit sectors (June 2007 – June 2015)

Manufacturing **341,000**

Public Administration **282,000**

Construction **195,000**

Wholesale and retail **110,000**

Finance and insurance **38,000**

Increase in Part-time Work (**170,300**)

July 2011 - June 2012: **7,340,700**

April 2014 –March 2015: **7,511,000**

Increase in Self-employment (**511,000**) (ONS)

July2011-Sep2011 **4,079,000**

April2014-July2014 **4,590,000**

Increase in Zero Hour Contracts (**554,000**) (ONS)

2011 **190,000**
2015 Apr-June **744,000**

Disadvantaged Groups in Employment

UK employment rate of people aged 16-64 **73.5%** (May-July 2015). (ONS)

UK employment rate of disabled people 16-64 **46.6%** (Apr2014-March2015) (Annual population Survey).

UK employment rate of ethnic minorities 16-64 **61.8%** (Apr2014-March2015) (Annual population Survey).

Government Response

The Work Programme

Started in the summer of 2011. 15 of the 18 contracts given to private sector organisations. Two year programme, focus on work-first, rather than improving employability.

June 2011 – June 2015 (**27%**)

Attachments **1,724,690**
Jobs **459,370**

ESA Claimants (**10%**)

Attachments **312,710**
Jobs **30,790**

Sanctions

Increasing use of sanctions if people don't apply for enough jobs, late for JCP interviews etc. Citizens Advice Scotland estimate that there are **200** sanctions per day in Scotland.

Vacancies (ONS)

June – Aug 2015 **740,00** vacancies, probably nearly two million unemployed. Simply not enough jobs in the economy.

Edinburgh Employability Projects Closed

Nisus 2008
Blindcraft 2011
Remploy 2012
SkillNet 2015

The Engine Shed 2015
Woman Onto Work 2015

Impact of Unemployment

Stirling University Study – Unemployment changes personality, less agreeable, motivated, sympathetic, curious.

Discussion

Kate asked how the projects in Edinburgh were financed?

Stephen replied that most came from the City Council budget but that there was also some national government funding available. Both sources of funding have been severely cut.

Pat said she was surprised when she saw the extent of the projects that have been cut in Edinburgh. She had been involved in some of the defence campaigns, and it was useful to have the full list before her.

Despite the misapprehensions of some who saw these projects as merely providing 'pretend work', Remply had manufactured engineering components and Blindcraft had produced beds which many people had bought.

These places had been targeted because they were easier to close.

Allan said that he seemed to remember in the case of Blindcraft that the Council had deliberately split the workforce, saying that continuing to keep the place open would jeopardise the pay-offs of the longer term employed nearing retirement.

Duncan asked what Nisus did?

Stephen replied that Nisus had provided basic IT skills training for the unemployed in Leith.

Eric said that he worked for a charity. People on Workfare had been forced to work for charities.

He also pointed out that the personal and social effects of unemployment which Stephen had highlighted applies just as much to the effects of inequality. This had been shown in *The Spirit Level* by Richard Wilkinson and Kate Pickett.

He then asked how should RIC use this information?

Stephen said that the difference between the number of available jobs and the unemployed highlighted the falsity of Osborne's arguments, despite the fact that the official unemployment figure underestimated their real total, and the fact that it would not only be the unemployed who applied for the job vacancies. The poor quality of many jobs was highlighted by the massive expansion of zero hours contracts.

Allan said that when it came to campaigning Mike Vallance's talk on Workfare (see <http://radicalindyedinburgh.blogspot.co.uk/2015/09/resisting-austerity.html>) provided a lot of information.

Eric thought that the campaign for a Citizens Income (see <http://radicalindyedinburgh.blogspot.co.uk/2014/06/anne-miller-of-citizens-income-trust.html>) was important in the context of the fight against unemployment.

Stephen said that a Citizens Income would remove the stigma attached to being unemployed.

Eric said that many unemployed people were being forced to apply for jobs that didn't really exist. When vacancies were filled they were still posted as being available. Sometimes the same job was advertised in a number of different forms. This whole process is a waste of time as far as getting a job is concerned. However, that is not the real purpose, which is to drive people off the claimants' list.

Kate said that in her own experience many advertised jobs were filled internally, but were posted externally as being available to meet employment requirements.

Duncan said that official government policy had gone from seeking full employment to managing acceptable levels of unemployment. There are no longer any subsidies available for businesses in trouble.

Allan thought that this reflected the change from the post-war Keynesian attempts to manage national economies, with one aim of seeking full employment to the post-1979 neo-liberal acceptance that national economies would have to find their niche within the global corporate order, and that unemployment was an indication of a person's failings, either in terms of skills or not being prepared to accept the pay and conditions demanded by business.

Kate said that big businesses wanted unemployment to discipline the workforce.

Eric said that despite all the claims they made for themselves about providing large scale unemployment, companies like Walmart and Amazon eliminated more jobs than they created.

Kate said that she was shocked to find the Coop using automatic tills.

Pat said that employers argued that zero hours contracts gave workers flexibility. The real answer was to provide permanent contracts with flexible working arrangements.

Pat also pointed to the STUC's Better Than Zero campaign.