

EU unemployment could be higher than the official figures

A study by the European Central Bank has suggested that the real level of unemployment in the European Union may be higher than the official figures. If the numbers of underemployed and unemployed people in the Eurozone are added together, it apparently amounts to between 15% and 18% of the total workforce.

France and Italy in particular have not seen the slow recovery within the Eurozone translate into reduced levels of unemployment. Bert Colijn, a senior economist at the Dutch bank ING, estimates that in Italy, the total of the underemployed and unemployed may be as high as 30%.

In total, five million jobs have allegedly been created across the EU since the 2008 financial crisis, but many are part-time or temporary. This means that wage growth is pretty anaemic in many EU member states.

This report, if true, paints a very bleak picture indeed for some EU member states, as the official data is pretty grim. The youth unemployment rate in Greece stood at 48% in January. In Spain, it hit 56.1% in April 2013, but by March 2017, it had fallen to 40.5% – still two in five young people. The figures for Italy and France were 34.1% and 23.7% respectively. By contrast, in Germany, the figure was 6.7% and the overall unemployment rate a mere 3.9%.

These figures highlight the flawed nature of the single currency. The Germans insisted on a “strong” €uro as the price for surrendering the Deutschmark. They have ended up gaining a very profitable export market for their goods on their very doorstep. Meanwhile, the Mediterranean countries are

suffering.

Given that, on the one hand the current state of affairs is going to continue to keep unemployment high in these countries while on the other, Germany would have considerable say in any moves towards further integration within the Eurozone, the prospects for their struggling neighbours to the south are unlikely to improve any time soon.