

## Five million Germans out of work

Germany's unemployment figure rose above the psychologically important level of five million last month.

On Wednesday, the German Federal Labour Agency said the jobless total had reached 5.037 million in January, which takes the jobless rate to 12.1%. "Yes, we have effectively more than five million people unemployed," a government minister said earlier on ZDF public television. Unemployment has not been this high in Germany since the 1930s.

Changes to the way the statistics are compiled partly explain the jump of 572,900 in the numbers. But the figures are embarrassing for the government. "With the figures apparently the worst we've seen in the post-war period, these numbers are very charged politically," said Christian Jasperneite, an economist with MM Warburg. "They could well put an end to the recent renaissance we've seen by the SPD [the ruling Social Democrats] in the polls, and with state elections due in Schleswig-Holstein and North Rhine-Westphalia, they may have an adverse effect on the government's chances there."

The opposition also made political capital from the figures. It said there are a further 1.5 million-2 million people on subsidised employment schemes who are, in fact, looking for real jobs. It added that government reforms, including unpopular benefit cuts, do not go far enough. Under the government's controversial "Hartz IV" reforms, which came into effect at the beginning of the year, both those on unemployment benefits and welfare support and those who are long-term unemployed are officially classified as looking for work. The bad winter weather also took its toll, as key sectors such as the construction sector laid off workers. Adjusted for the seasonal factors, the German jobless total rose by 227,000 in January from December.