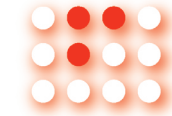


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Tories plan attack on union political funds

The Conservative Party has given yet another indication to the party's national newspaper, the *Daily Telegraph*, that they are going to attack the unions if they get in power. This time it is over unions' political funds.

The *Daily Telegraph* reports: "Currently, unions only need to ask members every 10 years if they want to contribute to their political funds, which also includes spending on campaigning and lobbying.

"Around £8 million a year is channelled through the political funds to Labour party coffers in this way.

"Under the Tory plans, union members would have to choose to contribute to the political fund every time they pay their annual subscription.

"Asking individual union members to tick a box supporting Labour every year was a key sticking point in talks to reform party funding which collapsed amid acrimony two years ago.

"Mr Cameron has pointed out that many union members are not Labour supporters and yet are often unwilling contributors to the party".

Cameron seems all too willing to attack something he apparently knows nothing about – the expensive hoops that unions have to go through at present to maintain a political fund – while being very coy about the tax status of his own party's deputy chairman and large financial backer, Lord Ashcroft.

www.telegraph.co.uk/news/newstoppers/politics/conservative/7223662/David-Cameron-to-take-on-the-unions-by-scrapping-automatic-funding-of-Labour.html

Unemployment edges down to 2.46 million

Unemployment fell slightly at the end of last year, according to the Office for National Statistics.

Under the Labour Force Survey (LFS) count, unemployment fell by 3,000 to 2.46 million in the three months to December compared with the previous three months. However, the jobless rate remained steady at 7.8%.

The fall is due to a cut in the number of unemployed men. Their numbers were down by 22,000 to 1.50 million and their unemployment rate was down to 8.9% from 9.0% in the previous quarter. Meanwhile, the number of jobless women rose by 18,000 to 959,000 and their unemployment rate was up to 6.6% from 6.5% previously.

The LFS count includes people who are looking

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for work but are not eligible for benefits, and is the government's preferred measure.

The claimant count, which only includes those claiming Jobseeker's Allowance (JSA), rose by 23,500 after two months of falls. In January, it was up to 1.64 million, but the unemployment rate was steady at 5.0%.

Unemployed men on benefit numbered 1.19 million and their unemployment rate was up to 6.7%. The number of women claiming JSA was up to 442,200 and their jobless rate edged up to 3.0%.

Unemployment seasonally adjusted				
	Claimants (000s)	% ¹	LFS ² (000s)	%
2004	853	2.7	1,424	4.8
2005	862	2.7	1,465	4.9
2006	945	3.0	1,671	5.4
2007	864	2.7	1,653	5.3
2008	905	2.8	1,781	5.7
2009	1,532	4.7	2,395	7.6
2008				
November	1,092	3.4	1,947	6.2
December	1,176	3.6	2,003	6.4
2009				
January	1,254	3.9	2,060	6.6
February	1,390	4.3	2,127	6.8
March	1,456	4.5	2,227	7.1
April	1,506	4.6	2,277	7.3
May	1,536	4.7	2,377	7.6
June	1,558	4.8	2,432	7.8
July	1,583	4.9	2,470	7.9
August	1,606	4.9	2,465	7.8
September	1,627	5.0	2,461	7.8
October	1,633	5.0	2,491	7.9
November	1,622	5.0	2,458	7.8
December (r)	1,612	5.0	2,457	7.8
2010				
January (p)	1,636	5.0		

¹ Percentage of working population – the employees, unemployed, self-employed and the armed forces. ² The Labour Force Survey definition of unemployment – the number of unemployed people who want a job and are ready to start work in two weeks, and have looked for work in the past four weeks. Each figure is the average of the past three months – a rolling average. (p) provisional (r) revised

Regions The claimant count was up in all 12 regions in January – the biggest rise was in Scotland.

The unemployment rate was above the UK average of 5.0% in seven regions. The highest rates were 7.3% in the North East, 6.6% in the West Midlands and 6.4% in Northern Ireland.

There were mixed results for the LFS count – with a fall in six regions, a rise in five and no change in the other region. The largest fall was in the West Midlands, where unemployed numbers were down by 16,000.

There was no change in the North East.

There were rises of six figures in three regions: South East (12,000), Yorkshire and the Humber (11,000), and Scotland (10,000).

The unemployment rate was above the UK average of 7.8% in six regions. The highest rates were: 9.4% in the West Midlands 9.3% in the North East, and 9.1% in both London and Yorkshire and the Humber.

Region	January claimants		LFS Oct – Dec	
	Number	%	Number	%
North East	87,300	7.3	117,000	9.3
North West	203,300	5.8	289,000	8.5
Yorkshire & the Humber	160,900	6.1	240,000	9.1
East Midlands	114,300	5.1	167,000	7.2
West Midlands	182,300	6.6	252,000	9.4
East	123,500	4.3	194,000	6.5
London	229,600	4.7	373,000	9.1
South East	160,900	3.6	276,000	6.2
South West	95,800	3.5	172,000	6.4
Wales	80,600	5.7	122,000	8.6
Scotland	140,600	5.0	206,000	7.6
Northern Ireland	56,100	6.4	49,000	6.0

The manufacturing sector continued to shrink with 199,000 jobs disappearing in the three months to December 2009 compared with a year earlier. Over the past year, employment levels have fallen by 7.1% to 2.6 million.

There were 168,000 redundancies announced in the final quarter of 2009 – down 36,000 on the previous quarter.

www.statistics.gov.uk/pdfdir/lmsuk0210.pdf

Solidarity News hits the airwaves

The labour movement has created a new tool in its efforts to build national and international solidarity: a radio news show on the Internet.

The show, called Solidarity News, is available on RadioLabour at www.radiolabour.net. It is 20 minutes of news about workers and their organisations from all around the world. The newscast is made available every Sunday morning and is kept on the RadioLabour website throughout its current week.

It reports news about unions using its own team of reporters. But, it also encourages anybody related to the labour movement to contribute audio reports. These reports could cover particular events, such as a strike or demonstration, or the point of view of labour organisations on particular issues.

People wanting to contribute audio reports can do so by using inexpensive recording equipment (usually just a headset) and editing software that is available free of charge.

Trade unionists can also supply reports by leaving a message on RadioLabour's voicemail box on Skype, a voice-over-Internet service.

www.tuc.org.uk/the_tuc/tuc-17528-f0.cfm

Inflation gathers pace in the New Year

Inflation surged to its highest level for 15 months, according to official figures.

Under the Retail Prices Index (RPI), the inflation rate was up to 3.7% in January from 2.4% at the end of 2009. The rise came as the cuts in interest rates continued to fall out of official calculations and VAT was restored to 17.5%, the Office for National Statistics said.

Under the Consumer Prices Index (CPI), inflation rose to 3.5% in January from 2.9% the previous month. This measure does not include housing costs, and is the government's preferred measure.

With the CPI figure passing the 3.0% mark, Mervyn King, the Bank of England governor, had to write to the Treasury about the Bank's efforts to control inflation.

	Retail Prices Index (Jan 1987 =100)	% increase on year earlier		
		RPI	RPI except mortgage interest payments	CPI
2008				
December	212.9	0.9	2.8	3.1
2009				
January	210.1	0.1	2.4	3.0
February	211.4	0.0	2.5	3.2
March	211.3	-0.4	2.2	2.9
April	211.5	-1.2	1.7	2.3
May	212.8	-1.1	1.6	2.2
June	213.4	-1.6	1.0	1.8
July	213.4	-1.4	1.2	1.8
August	214.4	-1.3	1.4	1.6
September	215.3	-1.4	1.3	1.1
October	216.0	-0.8	1.9	1.5
November	216.6	0.3	2.7	1.9
December	218.0	2.4	3.8	2.9
2010				
January	217.9	3.7	4.6	3.5

Seven of the 14 groups that make up the RPI posted increases of 3.7% overall increase or more. The

motoring expenditure group's 18.2% rise included a 25.4% rise in petrol and oil prices and an 18.1% rise in car prices.

The 2.1% rise in the fares group included a 7.0% rise in rail fares as the January 2010 increases kicked in.

Food prices showed an overall rise of 1.7% but tea prices rose by 11.0%; and soft drinks by 5.8%. A sweet tooth proved costly as sugar and preserves were up by 5.8% and sweets and chocolate by 5.4%.

The 5.4% fall in the fuel and light group included cuts in electricity and gas prices of 8.0% and 5.9% respectively, slightly offset by a 0.3% rise in coal and solid fuel prices.

The 1.4% fall in the housing group included a 17.1% fall in mortgage interest payments.

3.7% or more	%	Less than 3.7%	%
Motoring expenditure	18.2	Catering	3.1
Tobacco	7.5	Leisure goods	2.9
Household goods	6.2	Fares etc	2.1
Leisure services	5.3	Food	1.7
Household services	4.2	Clothing & footwear	-0.6
Alcoholic drink	3.8	Housing	-1.4
Personal goods & services	3.7	Fuel & light	-5.4

www.statistics.gov.uk/pdfdir/cpi0210.pdf

www.statistics.gov.uk/pdfdir/cpi0210.pdf

Economy is expected to grow in 2010

The economy is expected to grow this year, according to a consensus of forecasts from 40 or so City institutions collated by the Treasury.

The median or midpoint figure of forecasts is for growth of 1.2% in gross domestic product (GDP); the range of forecasts is from growth of 2.2% down to 0.7%.

The Treasury's own forecast by chancellor Alistair Darling given in last December's Pre-Budget Report is for growth of between 1% and 1.5%.

Forecasts for next year show further recovery. The median rise in the economy is expected to be 2.1%, but the range is from growth of 3.4% down to 0.5%. The Treasury expects growth in 2011 to be between 3.25% and 3.75%.

Inflation Price inflation, as measured by the Retail Prices Index (RPI), is forecast to be 3.2% (median

figure) by the final quarter of 2010, according to the summary of forecasts. The range is from a rise of 1.8% up to a rise of 4.8%.

For the end of 2011 the range is from 1.5% up to 4.3% and the median is a 1.5% rise.

Earnings Average earnings are forecast to show annual growth of 2.4% over this year, according to the summary of forecasts. The range runs from 4.3% down to 1.1% growth.

In 2011, the range runs from 4.1% growth down to no growth, while the median figure is 2.8% growth.

www.hm-treasury.gov.uk/d/201002forecomp.pdf

Earnings growth has edged down overall

Growth in average weekly earnings stuttered in December, the latest figures show.

This is according to the average weekly earnings figures now used as the new standard by the Office for National Statistics (ONS).

Monthly figures show average earnings for the whole economy rose by a provisional 0.9% in the year to December on a year earlier – down from the revised annual figure of a 1.0% rise for November.

Headline earnings growth (the latest rolling three-month average) for the whole economy was unchanged at a provisional 0.8% in the three months to December. In the manufacturing sector the rise was up to 2.2% from 1.7% in the three months to November.

Earnings growth in the services sector was down to 0.8% from 1.0% in the previous three-month period, while earnings stood still in the private sector with no increase in the latest three-monthly periods to December and November.

In the public sector, earnings growth dipped to 3.7% in the three months to December from 3.8% in the three months to November.

The figures used by *Fact Service* for the public sector exclude financial services – the nationalised banks – which are included in another measure produced by the ONS.

The government statisticians at the ONS have stopped press releasing the average earnings

index (AEI) figures and have replaced them with these average weekly earnings monetary figures.

The AEI figures are to be produced, but only until September and a week or so later after the AWE figures have been produced. *Fact Service* will continue to cover the AEI figures until they are discontinued by the ONS and the latest figures will be covered in next week's issue.

Average weekly earnings ¹						
£ per week						
2000 = 100	Whole economy		Manu- facturing	Services	Private sector	Public sector ²
	annual % rise					
2008						
December	447	2.6	501	433	448	442
2009						
January	431	-2.0	499	412	426	442
February	417	-6.3	494	415	427	445
March	445	-0.9	503	424	440	443
April	448	1.4	507	434	450	447
May	448	0.8	502	433	447	446
June	449	1.2	505	434	447	449
July	448	0.6	499	432	443	448
August	449	0.7	506	433	445	449
September	450	0.8	507	436	447	452
October	451	0.5	509	436	448	452
November	451	1.0	512	437	448	453
December (p)	451	0.9	516	436	448	452
% annual rise for December			3.1	0.7	0.2	3.5
% increase in headline rate for December ³			0.8	2.2	0.0	3.7

¹ Average weekly earnings in Great Britain, seasonally adjusted, including bonuses, but excluding arrears. ² Excludes financial services. ³ The average of the seasonally adjusted data for the latest three months compared with three months a year earlier. (p) provisional, (r) revised

The table below gives estimates of full-time average weekly earnings by occupation. It is based on figures from the Annual Survey of Hours and Earnings 2009 (ASHE), uprated by the 0.7% increase in the average weekly earnings figures between April and December 2009.

Full-time average weekly earnings by occupation	
£ a week	
All workers	591.40
All male	647.50
All female	504.70
Managers	869.00
Professionals	789.40
Associate professionals	610.80
Admin & secretarial	414.60
Skilled/craft	487.90
Services	351.60
Sales	326.80
Operatives	447.10
Other manual jobs	349.10

www.statistics.gov.uk/pdfdir/lmsuk0210.pdf