

UK: Thousands more workers lose their jobs

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Thousands of job losses were announced in Britain on Monday, with the steel maker Corus announcing cut-backs of 3,500 internationally. Some 2,500 of these are to be lost in Britain—10 percent of the steelmaker's UK workforce.

Unemployment is now past the two million mark unofficially, with 77,154 jobs losses announced in the UK in the four months up to January 21.

Wales is hardest hit by the latest cuts. Some 1,100 jobs are to go across the company's Welsh operations, including the "temporary" closure of its plant at Llanwern near Newport, South Wales, with the loss of 600 jobs.

Next hardest hit is Rotherham, South Yorkshire, with the loss of 613 jobs. The remainder are to be shed at locations in the West Midlands, West and South Yorkshire and Humberside. Eighty jobs are to go in Scotland

Corus said that the job losses would enable it to cut costs by around 20 percent and improve profits by more than £200 million. Corus was established in 1999 by the merger of British Steel and Hoogovens of the Netherlands and is Europe's second-largest steelmaker. In 2007 it was bought by India's Tata Steel for £6.7 billion and employs 24,000 workers in the UK and 42,000 around the world.

The Corus factory in Rotherham is the second largest private sector employer in the area. Only last week, the clothing manufacturer Burberry announced it is to close its sewing facility in Rotherham with the loss of 290 jobs as part of a "massive restructuring programme" in its British and Spanish operations. The plant is just a few hundred yards from the Corus plant in Parkgate.

As well as the thousands of workers directly laid-off by Corus, there will be a knock-on effect on many other firms dependent on the steelmaker.

Further job losses announced Monday include 750 at the Ulster Bank, a subsidiary of the Royal Bank of Scotland. Some 267 jobs are to go at the children's wear retailer Adams, and 95 jobs at the furniture chain Land of Leather—both now in administration.

The Dutch food company Vion is also shedding 820 jobs, and the engineering group Atkins says it will cut up to 260 staff from its UK design arm, while a further 96 jobs are to go at the NACCO Materials Handling Group's forklift factory in Graigavon, County Armagh, in Ireland. These are in addition to 81 redundancies announced in September 2008.

Wavin, the Dutch plastic pipemaker, is cutting 165 jobs and the UK-based electronics firm TT Electronics, has announced plans to make 700 workers redundant. Last year it implemented 600 job losses and also shut down parts of a subsidiary, AB Automotive, with the loss of 157 jobs in Cardiff, Wales.

More than 680 jobs are to be lost at the parcel firm Home Delivery Network—the UK's largest home delivery and collection service—with the closure of seven depots.

The jobs of 2,500 UK employees of Philips, Europe's largest electronics manufacturer, are also in doubt after the company said that it was to shed 6,000 jobs worldwide.

Further job losses are expected to be announced shortly by ING, the Dutch banking and insurance group, which has said it will shed 7,000 posts internationally in 2009. The bank posted a 2008 loss of 1 billion euros on January 26. It employs 1,600 workers in the UK.

Some 1,400 job losses are also threatened at SeaDragon Offshore, an oilrig maker. The firm, based in the Tees Valley, has been instructed by its bank, Lloyds TSB, to cut production.

Even more jobs are threatened at Stylo, which owns the Barratts and Priceless Shoes footwear chains. The firm has been put into administration with a possible 5,450 jobs at risk. Barratts and Priceless Shoes are to close unless a deal can be reached with landlords to renegotiate the terms of the leases on about 400 outlets. The firm, which reported a pre-tax loss of £12.5 million to February 2008, had its shares suspended on Monday.

Trade unions defend "British manufacturing"

Many firms are also demanding pay cuts and cuts in hours. Bentley Motors in Crewe and the construction equipment firm JCB have already cut the working week, while firms such as the auto producer Nissan in Sunderland are considering imposing a three-day week. The British Chambers of Commerce, which represent 100,000 firms, released figures this week revealing that 39 percent of businesses are planning to cut hours.

The government's Department for Business and Enterprise now advises firms to cut overheads and to remain competitive by issuing the following official advice: "You can cut staff cost by restricting overtime or cutting staff hours".

Earlier this month Hans Demant, the managing director and vice president of engineering at GM Europe, said, "We have an umbrella agreement. We are looking at less work and less pay". GM Europe employs about 4,000 workers at its Vauxhall factory in Ellesmere Port, Merseyside, England, and a van making facility in Luton.

A January 12 article in the Daily Mail headlined, "Take a pay cut and keep your jobs, bosses tell Vauxhall workers", reported on current ongoing negotiations between Vauxhall and trade unions. It said, "Unions and car bosses have agreed that among the flexible options will be: workers taking pay cuts, sabbaticals on 30 percent salary, four-day weeks and cuts to shifts".

Such agreements underscore the role of the trade union bureaucracy in enforcing "restructuring" and cost-cutting measures at the direct expense of their members.

Following talks in October between JCB and the GMB trade union, a "concessions" contract was implemented, which included 170 job losses and a pay cut of £50 week for the remaining 2,500 workers.

In response to the Corus job losses the pro-business trade unions have, once again, been quick off the mark to make protectionist appeals in defence of "British manufacturing" and to identify the interests of the workforce and the company as one and the same.

Derek Simpson of the Unite union said, "We understand that Corus do face difficulties but before this recession Corus had been making extremely healthy profits. Our members have supported Corus through good times and bad and now expect Corus to support them".

"The UK's manufacturing sector desperately needs support from our government similar to the support provided by the German, French and Swedish

governments", he continued. "We cannot afford to let a short-term problem deprive Britain of the skills we will depend on to compete in the world economy".

In December the union entered into negotiations with Corus on precisely such a basis. On December 11, the *Financial Times* reported that three British trade unions had proposed a 10 percent pay cut for the workforce in order to keep the Llanwern steel factory in southern Wales open. The *Financial Times* quoted a senior trade union official as saying "Representatives would accept a 10 percent decrease for everybody, from the bottom to the top of the company".

While the unions denied this report, the company issued a statement admitting that it was "actively discussing options with employees and their representatives in the UK. In the short term, payroll reductions and specific government support for temporary unemployment could be of great assistance to address the current market conditions".

A further joint statement with the trade unions stated, "Corus Management and the National Officers of the UK Steel Committee have had a series of discussions regarding the business situation and potential actions to help weather the storm, including a range of temporary options aimed at reducing employment costs and assisting the company through these difficult times".



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