

# Job losses at BAE Systems to devastate towns

Robert Skelton  
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In September BAE Systems, the UK's largest defence and security firm, announced 3,000 job cuts. The cuts are spread over 12 sites, but most (2,307) are to be lost at just three of its main plants in England—Samlesbury and Warton in Lancashire, and Brough in Yorkshire.

The job losses represent 7 percent of the company's UK workforce of around 39,000 employees. The cuts will have a devastating impact in the local areas where the plants are situated, and on the regional and wider UK economy as a whole.

An April 2011 study by Oxford Economics of the economic importance of BAE Systems, the UK's biggest manufacturer, stated that "it's spending on goods and services supports jobs and GDP in firms and industries in the wider economy". It continued, "In 2009 BAE Systems spent an estimated £4.1 billion on the procurement of equipment, components, raw materials, rent, energy and services from UK suppliers."

The report also detailed that "when indirect and induced effects are taken into account BAE Systems' overall impact on the UK economy is even more significant, with the company supporting 125,000 jobs in total."

The study noted, "The indirect employment multiplier for BAE Systems is around 1.2. This means for every 10 jobs directly created by BAE Systems in the UK, another 12 jobs are supported in the supply chain. Accounting for induced effects a further 7 jobs are supported in the wider economy."

The study found that the BAE Systems plant in Barrow-in-Furness in Cumbria provided nearly 80 percent of manufacturing jobs for the town.

Some 822 jobs are to be lost at the plant in the small village of Warton, which serves as the headquarters and a major assembly/testing facility for the company's MAS (Military Air Solutions). The final assembly of the Eurofighter Typhoon fighter jet is completed there.

The almost exclusive reliance of the regional economy on these jobs is summed up in statistics contained in the report regarding the Warton plant, which employed 6,550 workers in 2009. The Warton site has a particular local significance, "contributing over 8,700 jobs and £300 million in value added to the economy of the North-West", the report states.

More than one in five of all residents were employed in manufacturing within Fylde, a local government district with a population of more than 76,000, work at Warton. In the neighbouring local authorities of Preston (population 114, 300) and Wyre (111,000), around one in eight residents employed in manufacturing work at Warton, while in Blackpool (140,000) the figure is nearly one in ten.

One in 17 professional/technical employees living in the nearby town of Preston were also employed at Warton. In both "Preston and Fylde more than one in four local manufacturing employees work at BAE Systems—principally the sites at Warton and Samlesbury," the study found.

A *World Socialist Web Site* reporting team spoke to people at a small shopping centre near the Warton plant.

Tom O' Keefe lives in Warton and attends college in the local town of Preston. He said, "My mate works here at BAE and has done for years. He can't believe

he might lose his job and be on the dole. He has been working there a good seven years now and lives just around here. I know about 20 or 30 people who work there and rely on those jobs.

“I was intending to leave college after my A Levels qualifications and work at BAE and now I can’t, can I? I think this is just terrible”.

Karen works as an insurance clerk and was originally from the nearby town of Lytham. “I think that with these jobs going it will affect a lot of things around here. There’s a lot of places that will be affected, like the sandwich shops here. These 3,000 jobs are going all across the north.

“My father-in-law and brother-in-law used to work at BAE, but not anymore. One has retired, and one has left to work for himself. A lot of the dads of my son’s football team work at Warton. They’ve all got young children and families and mortgages. These are all skilled workers.

“I was talking to my sister-in-law about this and she works at the University in Preston in the office. She was going on strike for the day of action on November 30. It’s quite concerning the way they are being threatened with having their pensions cut.

“But it’s been good for the bankers, and of course they are the ones giving the Conservative Party donations, aren’t they?

“I’m always thinking, what are the kids going to do? Where is their future?”

Tony is a former soldier who lives in Warton. He works part-time in a local club. “The job losses are really bad. If you speak to people around here, they reckon businesses are going to lose a third of their business. It’s not just the local shops you can see here. You’ve got garages here that do all the MOTs and servicing of cars. There are about four garages here that do servicing and I can’t see them all staying open. Another one just closed recently. It’s going to be a bit of a ghost town in about six months or so.

“Most people commute into Warton from Preston and Blackburn. BAE is the biggest employer here. The government says they are going to invest in people and invest in technologies, but I think it’s a kick in the teeth—especially the timing of this just before

Christmas. It’s not the best time to be out of work.

“I was in the army for 23 years and I’ve been looking for a full-time job for two and a half months and can’t find one. There are more people looking for jobs around here at the moment. Judging by the length of time it’s taken me, a lot of people can’t get work. I’ve only had two replies from about 100 job applications over two and a half months. It’s not good.”

Linda worked at the Warton plant for 28 years before taking redundancy 10 years ago. She said, “The jobs are being lost because there are no new aircraft being developed. They are just relying on getting contacts for the old plane, the Typhoon.

“It’s going to affect the area badly. It’s very sad. There is nothing else in the area; it’s the biggest employer. Local businesses will be badly affected. The post office has already closed down. I’ve got a friend and he doesn’t know if he will be affected. He is just keeping his fingers crossed.

“I think the government should invest in industry. Nothing is getting built any more. Shipbuilding has gone. Everything has gone and now this at BAE.”



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