

Amid signs of deepening global slump

Sony to cut 10,000 jobs

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Japan's Sony Corporation plans to cut 10,000 jobs—6 percent of its global workforce of 168,200—over the next two years, according to media reports that surfaced Monday.

Newly appointed CEO Kazuo Hirai is expected to announce a restructuring plan that includes the job cuts at a corporate strategy meeting Thursday. Sony's once thriving electronics business has lost money for the last four years, prompting the massive cost-cutting measures. The plan reportedly calls for cutting 5,000 jobs through the sell-off of the firm's chemical division, with the remaining 5,000 job cuts distributed across Sony's global operations.

Forbes magazine ranks Sony 75th in global sales. The company has divisions in music, movies, computer games and electronics. Its last major restructuring was in December of 2008, when 16,000 jobs were cut.

The downsizing of Sony, an icon of Japanese capitalism and long a symbol of its technological and marketing power, highlights the continuing impact of the world economic crisis that was triggered by the Wall Street crash of September 2008. Far from the multi-trillion-dollar bailout of the banks and the brutal austerity measures imposed in Europe, the US and Japan solving the crisis, there are mounting signs of renewed slump.

The news of Sony's job cuts comes on the heels of last Friday's dismal US employment report for March (see: "March jobs report undercuts US recovery claims"). The Labor Department reported that US payrolls registered a net increase of only 120,000 jobs, less than half the average net gain over the three previous months and not sufficient even to keep pace with monthly population growth.

The official US jobless rate ticked down from 8.3 percent to 8.2 percent, but this also reflected a

deterioration rather than improvement in the labor market. The decline was the result of a sharp decline in the labor force, rather than a surge in new jobs. The number of workers with jobs fell by 31,000 and those seeking work fell by 133,000.

Notwithstanding the attempt of the Obama administration to portray the US economy as enjoying an accelerating recovery, mass layoffs are continuing in the US and Canada. In the last several days, 650 layoffs have been announced at the Canadian Broadcasting Company, 450-500 at Lockheed Martin, and 600 at the retailer JC Penney. Last week, Yahoo announced 2,000 layoffs and the electronics retail chain Best Buy said it was closing 50 stores and laying off hundreds of employees.

Mass layoffs and signs of stagnation or worsening slump are international in scope. Last month, the European Commission revised downward its growth forecast for the euro zone for 2012, saying it expects the regional economy to contract by at least 0.3 percent. The economies of countries such as Italy, Spain and Greece are expected to have much steeper contractions—1.3 percent for Italy, 1 percent for Spain, and a possible double-digit decline for Greece. Last year, Greece's gross domestic product fell by 7 percent.

Unemployment levels in Spain and Greece are already well over 20 percent, with youth unemployment higher than 50 percent.

The bankruptcy of the German drugstore chain Schlecker threatens to wipe out nearly 12,000 jobs, and General Motors is planning to close plants in Germany and Britain.

The slowdown in the world economy is hitting China and India as well. The International Monetary Fund has warned that the European crisis could cut China's

projected 8.2 percent growth rate in half. Its domestic output rose just 2 percent from the previous quarter, the slowest growth rate since early 2009. Last year, India's economic growth slowed to 6.9 per cent, the lowest rate recorded in nearly a decade excluding 2008.

These developments underscore the systemic character of the global crisis that erupted in 2008. The policies of austerity and wage cutting being carried out by governments around the world at the behest of the international banks are only deepening the crisis. They are being imposed as part of a deliberate class policy of the bourgeoisie to exploit the crisis and use mass unemployment to roll back all of the social gains won by the working class over a century of struggle.

The working class must counterpose its own international strategy to that of the capitalist class. The fight against unemployment, wage cutting and the destruction of social services requires the conscious unification of the struggles of the international working class on the basis of a revolutionary socialist program.



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