

Layoff announcements, employment data point to worsening US jobs crisis

Barry Grey
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Major layoff announcements in the US and internationally point to a deepening slump and intensifying attacks on workers' wages and living standards. Over the past week, companies in Japan, Denmark and Australia have announced thousands of job cuts, while several thousand more have been announced by US firms.

The US economy is stagnating, most of Europe is contracting, and growth is slowing markedly in Asia and in major Latin American economies. The global slowdown is reflected in employment data heralding a further rise in unemployment in the US.

On Thursday, the US Labor Department reported a second consecutive weekly rise in new applications for unemployment benefits. Jobless claims rose by 4,000 to reach 372,000 in the period ended August 18, a one-month high. The four-week moving average also rose, as did the number of continuing unemployment benefit claims (those drawn by workers for more than a week).

On August 17, the Labor Department reported that unemployment rates rose in July in 44 of the 50 US states, the most states reporting a monthly rise in over three years. Joblessness fell in only two states and held steady in four.

Nevada reported the country's highest rate at 12 percent, up from 11.6 percent in June. The jobless rate also increased in Michigan to 9 percent from 8.5 percent two months earlier, reflecting a slowdown in manufacturing growth. This was underscored by a Commerce Department report released yesterday showing that orders for durable goods, excluding transportation, fell in July for the fourth time in five months.

The devastating social impact of four years of mass unemployment—with no real prospect of a genuine recovery—was indicated by a survey released Friday by

the Labor Department showing that only 56 percent of Americans laid off from January 2009 through December 2011 had found jobs by the start of 2012. More than half of those who found employment accepted jobs with lower pay, and one-third took pay cuts of 20 percent or more.

The figures underestimate the crisis since they exclude from the total of unemployed people those who could find only part-time jobs.

This spreading social disaster is being largely ignored in the US presidential election campaign because neither President Obama nor his Republican opponent, Mitt Romney, has any policies to create jobs or provide relief to the millions being driven into poverty. On the contrary, both support the use of mass unemployment to slash wages and both agree that after the elections, whichever of the two big business parties wins control of the White House and Congress, the assault on basic social programs will be sharply intensified.

In Japan, the television maker Sharp said Tuesday it would cut 8,000 jobs, or 15 percent of its global workforce. This marks an increase of 3,000 from the 5,000 cuts the company had announced previously. *Kyoto News* reported last weekend that the embattled TV maker was considering raising its job reduction target to 10,000.

Two days later, Sony Corp. said it planned to cut 15 percent of its mobile phone workforce, or about 1,000 jobs. The mass layoff announcement came after Sony took full control of its mobile phone joint venture with Sweden's Telefon AB LM Ericsson earlier this year. The layoffs will be carried out in Sweden, as Sony moves the headquarters of its mobile phone unit to Tokyo from Lund, Sweden.

Denmark-based Vestas Wind Systems said Wednesday it will cut an additional 1,400 jobs. The

world's biggest producer of wind turbines said it expects to have 19,000 employees at the end of this year, a 16 percent drop from the end of 2011. The additional layoffs are on top of 2,335 cuts the company announced in January. Vestas is also considering eliminating 1,600 jobs in the US, depending on whether a tax credit is extended after it expires this year.

Major layoffs have also been announced in Australia, whose economy is increasingly impacted by the slowdown in China. QR National, a minerals transporter, said Thursday it will lay off 900 workers. Mall operator Westfield Group announced a 10 percent cut in its workforce, affecting up to 400 employees.

In the US, Southern California Edison last Monday announced plans to eliminate nearly one-third of its workforce at the troubled San Onofre nuclear plant in San Diego County. Some 750 workers will lose their jobs.

Defense contractor Lockheed-Martin said Wednesday it will lay off 550 workers at its Marietta, Georgia aircraft plant.

ON Semiconductor, based in Phoenix, Arizona, this week announced plans to cut 250 jobs. The power-management chipmaker had a global workforce of nearly 19,500 last year, of which over 2,400 were in the US.

Northwestern Memorial Hospital in Chicago confirmed Wednesday that it had sacked 230 employees over the past month as part of a plan to slash its costs by a quarter.

The new owners of Fort Lauderdale, Florida-based BankAtlantic said Wednesday they plan to lay off 365 people, or about one-third of the bank's employees, between October of this year and February 1, 2013. Financial giant BB&T, which acquired the bank three weeks ago, announced the layoff in a notification to the state.

The BankAtlantic layoffs are part of a wave of layoffs in the financial industry, including at major Wall Street banks. By the start of 2013, Wall Street banks are expected to have anywhere from 10 percent to 15 percent fewer employees than at the start of 2012.

The wholesale destruction of public-sector jobs is continuing. Last week the Legal Services Corporation reported that federal budget cuts and other funding losses would likely result in the closure of offices and the layoff of 750 employees this year, including 350

attorneys.



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