

Google cutting 4,000 jobs at Motorola unit

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Google Inc. announced Monday that it is cutting some 4,000 jobs in its Motorola Mobility cell phone business and will close or consolidate about a third of the unit's 90 locations. The job cuts represent 20 percent of Motorola Mobility's 20,000 employees and 7 percent of Google's overall workforce. Two-thirds of the cuts will be made outside the US.

News of the latest large-scale layoff comes as the official US unemployment rate remains at 8.3 percent, with 40 percent of the jobless having been out of work for six months or longer. Half a million people have lost extended unemployment benefits since the beginning of the year and another 2 million are slated to be cut off January 1, 2013.

The entrenched unemployment and cut-off of jobless benefits are non-issues in the media and the ongoing presidential election campaign. In the midst of the deepest social and economic crisis since the Great Depression, neither President Obama nor his Republican opponent Mitt Romney has advanced a policy to provide relief to the 13 million Americans out of work. Instead, both candidates call for deeper cuts in social spending and new tax breaks for business, even as corporate profits and CEO pay continue to soar.

The cutbacks at Motorola Mobility come three months after Google bought the unit for \$12.5 billion with a view to cannibalizing the large patent portfolio of the once-dominant US cell phone maker.

Motorola Mobility has been struggling for years and has been focusing on smart phones in an effort to turn itself around. In a filing with the Securities and Exchange Commission, Google said the job cuts were aimed at making the unit profitable, but warned that investors should expect sales to drop before cost savings take effect.

In related news, Boy Genius Report (BGR) revealed last week that Research in Motion (RIM), the Canadian telecom and wireless company best known for the Blackberry smart phone, would be laying off 3,000 employees beginning this week. BGR's source reported

that "people are terrified" and that workers were emptying their desks in anticipation of being sacked.

RIM said in an official statement: "RIM announced on June 28 that it will reduce its global workforce by approximately 5,000 over the course of the remaining fiscal year. These are difficult but necessary changes to help achieve operational cost savings of over \$1 billion."

Three years after the US government's declaration that the recession had officially ended, manufacturers across the country continue to shed jobs. The job cuts, coming by the hundreds and thousands, spell misery for the residents of cities and towns, big and small, who have little prospect of finding a decent-paying job in the sluggish economy.

Trane, one of the biggest employers in Tyler, Texas, notified 500 workers on August 3 that it was their last day on the job. The company, a business of Ingersoll-Rand that manufactures air conditioners and heat pumps, described the move as a seasonal layoff of hourly production staff and said employees with recall rights would be eligible to be rehired.

In Lafayette, Indiana, Caterpillar will cut 167 jobs beginning in September. The Lafayette Engine Center produces medium-speed engines for the world's largest maker of construction and mining equipment. The company is a major employer in the region, with more than 1,600 workers in the county.

The job cuts will hit agency workers and part-time and temporary workers. Like a growing number of companies, Caterpillar utilizes a large number of contract, temporary and part-time workers, enabling it to slash its workforce at will and cut costs on benefits. News of the job cuts follows an announcement of record profits of \$1.7 billion at Caterpillar for the second quarter, a 67 percent increase over the previous year.

In Joliet, Illinois, 700 Caterpillar production workers are in the fourth month of a bitter strike against the corporation's demands that they accept a wage freeze and sharp increases in their health care contributions. Caterpillar is also demanding that younger workers accept

a “market-based adjustment” reportedly tying future wage increases to performance.

Vacuum cleaner manufacturer Shop-Vac Corp. announced earlier this month that it would be laying off about 200 employees by the end of the year at its Williamsport, Pennsylvania plant. The layoffs will hit production line workers, who will begin losing their jobs October 5. The Shop-Vac facility dates back to 1948.

Whirlpool continues to cut the workforce at its facility in Evansville, Indiana, as the appliance maker shifts all refrigeration product development to Michigan, its home base. Whirlpool currently employs 217 people at its Evansville development center, down drastically from the nearly 10,000 employed at the facility in the 1970s. The center will close down completely by the end of 2014.

In Arkansas, Hawker Beechcraft will lay off 170 employees at its Little Rock aircraft finishing plant. The hourly and salaried workers were given 60 days notice on August 2 of their impending layoffs. Demand for business jets has declined in the recessionary economy. Hawker Beechcraft filed for bankruptcy protection in May and agreed in July to sell the company to a Chinese firm for \$1.8 billion.

In the second largest job cut announcement to hit the Tampa Bay, Florida area this year, PEMCO World Air Services is planning to shed 474 jobs at its aircraft maintenance complex at Tampa International Airport. The layoffs will hit the vast majority of the company’s workforce. The news came after PEMCO lost a major contract with United Airlines.

The company filed for Chapter 11 bankruptcy reorganization five months ago. A company statement declared, “Although PEMCO’s Tampa facilities will continue operations, these layoffs are expected to be permanent.”



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