

Mass layoffs in Illinois

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18 April 2013

In recent weeks, a large number of companies in Illinois have announced mass layoffs and closures, as required by the Illinois Worker Adjustment and Restraint Notification Act (WARN). The WARN Act requires businesses with 75 or more employees, not including part-time, to notify their employees 60 days ahead of a pending plant closure or mass layoffs.

US Cellular Corporation is selling a large portion of its mobile network. More than 600 Illinois employees will be losing their jobs. The total number of jobs affected across the Midwest is around one thousand. US Cellular sold its Chicago, central Illinois and St. Louis markets, along with those in Indiana, Michigan and Ohio, to SprintNextel for \$480 million.

Global equipment manufacturer Caterpillar announced on Friday that it would lay off 11 percent of its workforce at its Decatur, Illinois, large truck factory. The 460 workers will be let go to “bring production in line with demand” as global mining demand falters. Chinese and Asian demand for raw material from Australia has fallen due to slowing growth, while in the United States, a natural gas boom has caused power plants to convert from coal to natural gas, resulting in a slowdown in coal mining.

The layoffs in Decatur follow a week-long shutdown in November and total shutdown in December 2012. The unemployment rate in Decatur in February was 13.7 percent, up from 10.9 percent a year earlier. This will rise even further as these devastating layoffs take effect.

“What I’m going to make on unemployment is not going to even pay my rent, pay my electric,” Sandra Sorell explained. “It may pay a couple of my bills, but I’m going to have to find something else.” She was hoping to go back to work after five months of temporary layoff, but found out through Facebook that there will be mass layoffs, including herself.

Caterpillar has been ruthlessly pushing cuts in labor costs globally since the onset of the recession. In January 2012, Caterpillar locked out 450 workers at its Progress Rail locomotive plant in London, Ontario. When the workforce wouldn’t cave in to a 50 percent wage cut, the company shut the plant and moved the work to Muncie, Indiana. That spring, a concession contract was forced on 700 machinists at the Joliet, Illinois, plant, and at present, machinists in Milwaukee, Wisconsin, are threatened with layoffs to pressure them to accept another concessions contract.

A similar effort to boost profits through sharply reduced labor costs is occurring in Danville, Illinois, where FreightCar America has announced the closure of its plant. The workforce of 250 workers, organized under the United Auto Workers, will be laid off at the end of April. The unemployment rate in February for Danville was 12.4 percent, up from 10.9 percent a year earlier.

The plant produces railroad freight cars that carry coal. Orders have fallen sharply as the natural gas boom has eroded demand for coal in the US. FreightCar America is simultaneously opening up a shared manufacturing facility in Cherokee, Alabama, where skilled positions in metal fabrication, welding, machining, finishing and painting will start at \$12 to \$14 an hour.

Other companies are following the same plan. Ciba Vision Corporation, bought by Alcon Laboratories of Fort Worth, Texas, is closing a plant in Des Plaines, Illinois, laying off 262 plant workers.

Minnesota-based Caribou Coffee, which went private this year, is closing a large number of Chicago-area cafes. It is estimated that 1,000 positions will be lost.

In February, the US produced 236,000 jobs; however, the official unemployment rate fell to the lowest rates since 2008, according to Labor Department figures. A total of 8.9 million jobs were lost during 2009. Since

then, only 5.7 million jobs have been produced, the quality of which have been decreasing. The percentage of people working part-time has increased from 16.9 percent in 2008 to 19.2 percent now.

As employment prospects for workers have plummeted, corporate profits have been reaching record highs for three years running.



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