

# Job losses mount in UK

Barry Mason  
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Even as the UK's nominal jobless rate fell in the third quarter of this year, prompting proclamations of an economic recovery from the Bank of England and the government, several major corporations announced mass layoffs.

BAE Systems, the British-based multinational defence, security and aerospace company, announced the loss of nearly 1,800 jobs at its shipbuilding yards in England and Scotland on November 6. A total of 940 job losses, the main bulk of the announced job cuts, will be at Portsmouth on the south coast. Portsmouth had been the site for the construction of Royal Navy vessels for the last 500 years.

British shipbuilding has virtually ceased to exist. From a post-war zenith of 192 merchant vessels being built in 1961, it fell to 33 in the year 2000, 4 in 2011 and just 2 last year.

Blockbuster, the DVD and game rental chain, went into administration November 11. The company's administrators at Moorfields Corporate Recovery stated they had been trying to find a buyer for the business but added, "As part of this process, we are today regretfully announcing the closure of 72 stores across the United Kingdom and the loss of 452 jobs."

Its online business has also been wound up. In January of this year, the firm had 528 stores and more than 4,000 staff, but the firm collapsed. It was bought up by the private equity group Gordon Brothers Europe in March, reducing the firm to 264 outlets with around 2,000 staff.

Barratts Shoes, the retailer, has been put into financial administration once again, threatening many job losses. It was in administration in 2009 and 2011, but had been able to come up with rescue plans at the last minute. Founded at the beginning of the last century, the Bradford-based company has 75 stores and 23 concessions throughout the United Kingdom and Ireland. It employs around 1,000 people, half of whom

are part-time.

Directors had sought a £5 million injection of funds from an investor, but this fell through. Administrators Duff and Phelps stated they were trying to sell the business as a going concern, but added: "At this stage redundancies and/or store closures cannot be ruled out."

The short-haul airline company Flybe announced it would cut jobs at its Exeter headquarters, close six of its regional bases, make cutbacks at the others. This will result in the loss of around 500 jobs, of which 116 would be at the Exeter headquarters. Currently, Flybe employs nearly 3,000 people. Its new chief executive, Saad Hammad, told the press that without downsizing the business it would not be viable.

Barclays Bank has announced plans to cut around 1,700 jobs from across its branches. The announcement came on top of one made previously to close its call centres in Coventry and Dartford with a loss of 600 jobs. It also announced plans to move four of its branches within giant supermarket Asda stores as part of a pilot scheme.

The cuts in the bank's retail division are likely to be only a foretaste of further cuts. The *Guardian* noted on November 14 that Antony Jenkins, who ran the retail division until recently, "has used a number of recent presentations to the City to set out his vision for a greater use of technology at the bank--a move that analysts believe could lead to 40,000 job cuts from the total current workforce of 140,000."

Further job losses have also been announced in the public sector. On November 12, the National Health Service announced the start of a new redundancy consultation for Primary Care Support services (PCS) with the aim of cutting 885 clerical posts, amounting to around half the workforce. PCS staff manages GP medical records and breast and cervical cytology screening services, among other duties.

This week, London Underground announced that around 750 jobs will be lost due to the closure of all ticket offices from 2015.

Other job losses announced this week include more than 200 workers at the Coupar Angus chicken processing plant of the 2 Sisters Food Group in Scotland. A housing association is set to cut 155 posts.

More than 90 jobs are to go with the planned closure of the Refresco soft drinks bottling plant in Durham, northeast England.

The East Midlands Housing Group, based in Coalville, England, manages 17,000 homes in the region. It is to shed 155 jobs from its 1,165-strong workforce.

Provident Financial is to axe 340 jobs, citing a fall in revenues due to a drop in household budgets. Seventy-eight jobs will go at its head office in Bradford, England, and another 262 field-based managers and clerks will also lose their jobs.

Computer firm Hewlett-Packard is cutting up to half of its 250 staff at the company's office in Sheffield, England, as part of thousands of redundancies worldwide. The workers provide IT support for the Department for Work and Pensions. The *Sheffield Star* reported, "The change will involve moving the roles to Cobalt in the north east of England and Erskine, near Glasgow. The Scottish site is in an area where there are incentives for companies to set up."

Since the Conservatives and Liberal Democrats came into government, nearly two thirds of a million public sector jobs have gone with forecasts that a further 400,000 will go by the 2015 election. A recent GMB trade union report noted that budget reviews by local councils for the next financial year show "accelerating cutbacks," which will leave communities in the most deprived areas of the country with a "local economy in tatters."

Middlesbrough council is to cut £67 million from its budget by 2016 with up to 1,200 staff losing their jobs. This week, the Unison trade union said some 600 staff will lose their jobs next year.

The recent drop in the unemployment figures is being used to claim economic recovery is under way, but the official figures do not reflect the real situation. A Trades Union Congress report published in September noted, "Total unemployment in the UK is currently 4.78 million; close to double the headline

unemployment figure.... Women are particularly badly affected, with total female unemployment more than double the headline unemployment measure."

It continued, "A further 2.26 million people in the UK want a job but are not classified as unemployed. In the US members of this group are described as 'discouraged' workers or economically inactive people who want to work."

The number of workers on zero hours contracts, estimated recently by a Unite union survey to be more than 5 million, are not reflected in the unemployment figures. Yet they may experience periods of no work.

There is no evidence to indicate that there will be a sustained long-term increase in the number of jobs. Instead, employers will seek to increase the exploitation of their workforces.

A report issued by the Chartered Institute of Personnel and Development (CIPD), just prior to the latest unemployment figures, indicated there would be no long-term increase in the numbers employed in an economic recovery.

The report noted, "With clear signs of further rises in demands for goods and services, it is unsurprising to see employers intend to take on even more people in the short term. However, our data on medium-term recruitment intentions suggest that stronger economic growth in the next few years will not be accompanied by big rises in employment.... [Employers] seem confident that they will be able to deliver their business objectives without needing to dramatically increase staffing over the medium term...they are focused on the need to raise productivity."



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