Texas Instruments lays off 1,100

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Less than a week after Intel announced that it was sacking 5 percent of its workforce—about 5,000 workers—in response to a slowdown in computer sales, a second large technology company also announced that it would lay off 1,100 of its workers.

Both companies claim that they cannot afford to hold on to their workers. Compared to last year, Texas instruments had a flat performance. It had total revenues of $3.03 billion, compared to last year's $2.98 billion. According to TI, while its business of embedded processing (a computer inside a computer) has grown somewhat, it faces difficulties in consumer electronics.

Another computer giant, IBM, has declared that it expects to spend $1 billion in "workforce rebalancing costs." Its last rebalancing one year ago resulted in the layoff of 3,300 workers in North America. IBM has called this new round of cuts "project Apollo."

Like Intel, TI and IBM attribute the sluggish computer market for their decisions to downgrade.

In IBM's case, the slowdown reflects changes in how consumers store data. More and more businesses are relying on cloud computing networks, which are less costly and do not require purchasing mainframe computers and other hardware.

Both the cost cutting and the slack demand are indications that whatever so-called recovery is taking place is fragile. Cuts and cost reductions elsewhere in the economy are making their way up the production chain. Coupled with government sequester cuts and layoffs in the US, and austerity measures globally, an inevitable and predictable effect on demand for finished goods is resulting.

The wave of sackings is also affecting aerospace and defense-connected industries. Montreal-based Bombardier, is poised to reduce its North American workforce by 1,700 workers, 600 of them in the US, affecting those workers employed by Bombardier Aerospace, one of the company's two main divisions. Eighty percent of its Canadian cutbacks will take place in the Montreal area. The 600 displaced workers in the US represent more than 10 percent of its workforce of 5,700.

Bombardier blames the layoffs on the sagging demand for its commercial aircraft—sales are down 19 percent compared to 2012. Due to depressed market conditions, the company's CS series and Learjet business are suffering. Bombardier spokespersons made it clear that the company is compelled to preserve cash in the face of delays in its production of CS single aisle aircraft. The company has 198 orders for the planes, less than it anticipated.

Defense Company Bell Helicopters announced that it is divesting itself of 112 engineers, despite a favorable government spending bill specifically directed at the company's V22 Osprey program. The company claims that it needs to cut the workforce to retain its "competitive edge." These layoffs will affect salaried engineers in Fort Worth, Texas. They come on top of the layoff of 140 salaried and hourly workers last May.

Aluminum producer Alcoa declared last Wednesday that it will close the remaining two aluminum production lines at its Massena East smelter in upstate New York.

Alcoa is one of the largest employers in the area of the state north of the city of Syracuse. In recognition of the impact that layoffs would have in that region, last July the New York Power Authority agreed to provide the plant with 478 megawatts of low cost electricity, provided that the company did not carry out any "involuntary layoffs" in Massena. Nevertheless, the company closed one of the Massena East production lines in August and is expected to move ahead with the closure of the other two lines.

The company seems to be taking the position that early retirement and so-called voluntary layoffs are in store for Massena. To achieve such a goal, Alcoa already declared that it will be working with our unions… and other stakeholders to “minimize the impact” of the closure of Massena East.

In retail, Minneapolis-based big-box store Target is poised to cut jobs by 475 workers worldwide. The retailer also said that 700 currently open jobs in Minnesota would not be filled. The company employs 14,000 workers in Minnesota.

The news comes on the heels of an announcement that year-end holiday sales had been below company expectations. Part of this is attributed to a cyber attack that led to the theft of 40 million store payment card numbers, and the personal data of 70 million customers.

The Target announcement follows that by JC Penney last week that it will shut down 33 stores and sack 2,000 workers in the next four months. Adding to this hemorrhage in retail is the announcement by Kmart that it would shut down two stores in the Midwest and by Sears that it was closing its downtown store in Chicago this April. The store has lost “millions of dollars” since its opening in 2001 said a Sears spokesperson on Tuesday.

The retail chain plans to concentrate on its online business as it downsizes. According to hedge fund managers Edward Lampert, Sears’ CEO and top shareholder, the closings are necessary in response to changing consumer habits.