# Major companies announce job cuts across Europe

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Amid growing global economic gloom, including a slowdown in China and falling oil and commodity prices, major companies throughout Europe are announcing mass layoffs and job cuts.

Last Wednesday, US multinational General Electric (GE) announced plans to cut 6,500 jobs in Europe over the next two years, including 1,700 jobs in Germany, 570 in the UK, 765 in France and 1,300 in Switzerland. According to comments from the head of GE's power division last September, this is part of a plan to squeeze out $3 billion in cost savings over five years.

GE acquired French engineering company Alstom in a €9.7 billion deal in 2014, promising to create jobs. GE France spokesman Laurent Wormser said job cuts in France will hit mainly administrative jobs in the Paris area, in human resources, public relations and the legal department.

After reaching an agreement with the trade unions, French nuclear group Areva announced plans for 6,000 job cuts worldwide, including in Germany, the United States and 2,700 in France. The "competitiveness plan" deal would net Areva €1 billion in savings by 2017.

France's largely state-owned electricity firm EDF is cutting 4,000 jobs, or 6 percent of its workforce, through attrition over the next three years—twice the number announced previously. On a €72.8 billion turnover in 2014, EDF amassed a €3.7 billion net profit. This comes after last month's announcement of more job cuts in the French state sector, with French state-owned rail operator SNCF announcement of 1,400 job cuts in France as part of a plan to shed 10,000 jobs by 2020.

Air France plans to cut 2,900 jobs between 2016 and 2017, including 1,000 jobs this year, despite making a significant operating profit over the last year. "Air France's recovery is continuing and the current buoyant economic situation allows us to offer a return to growth as from 2017," Air France CEO Frederic Gagey boasted.

Tata Steel will cut 1,050 jobs in Britain, hitting plants in Port Talbot, Llanwern, Trostre, Hartlepool and Corby, after announcing hundreds of job cuts last year as steel prices plunged. Ceramics group Royal Doulton will cut up to 1,000 jobs, mostly in Britain, amid the closure of its Baddeley Green factory.

While amassing huge profits from speculation and European Union (EU) bailouts, European banks have announced over 30,000 job cuts for 2016, after Europe's top 30 banks shed over 80,000 jobs from 2008 to 2014. According to the *Financial Times*, two of Europe's biggest banks, Barclays and BNP Paribas, plan to unveil job cuts to slash 10 to 20 percent of their investment banking costs.

The assault on the European working class comes amid escalating signs that the world economy is nearing another major collapse like the one triggered by the 2008 Wall Street crash. Since the New Year, stock markets worldwide have seen massive sell-offs amid plunging prospects of economic growth in China and collapsing prices for oil and basic commodities.

As a result of a slowdown in global trade, notably in China, Germany's export-driven economy is highly vulnerable, while Southern European economies, undermined by EU austerity bailouts, remain plagued by mass unemployment and weak consumer demand.

In a January 17 article in the *South China Morning Post*, New View Economics CEO David Brown warned, "If Germany's export powerhouse begins to falter, the rest of the euro zone will suffer as internal demand starts to trend lower. With up to 50 percent of euro zone exports traded internally within the single market, the consequences for growth and employment could be severe. Another quick recession should not be ruled out."

Larry Fink, CEO of Blackrock, the world's biggest private investment fund, told US financial channel CNBC that the crisis was set to worsen. "I actually believe there's not enough blood in the streets," he said, adding, "you're going to start seeing more layoffs in the middle part of the first quarter, definitely the second quarter."

The renewed economic collapse underscores the bankruptcy of capitalism. After the 2008 crisis, the European ruling class imposed harsh austerity policies, while plunging trillions of euros into bank bailouts, claiming this was necessary to prevent a complete collapse. Unemployment and social inequality skyrocketed as industries and living standards were undermined, while the super-rich saw a massive rise in their wealth.

Now, however, the economic devastation and financial criminality unleashed by the ruling class are provoking another global economic breakdown, with far-reaching consequences—not least of which is rising social opposition in the working class.

The financial press is nervously reporting social protest in China, which saw 2,774 worker protests last year, including 400 in December alone—a monthly record. Geoffrey Crothall of Hong Kong's *China Labour Bulletin* told Bloomberg, "The increase in strikes and protests began last August around the time of the yuan devaluation and subsequent stock market crash and continued to build during the final quarter of the year, as the economy has showed little sign of improvement."

Above all, the European ruling class is increasingly concerned about social protest at home. In one widely reported incident in October, after Air France announced thousands of jobs cuts, workers stormed an Air France works council meeting and assaulted two executives, ripping their shirts, amid widespread sympathy from workers across France and internationally. Air France took the unusual decision to sack and mount legal action against several of the workers.

These escalating class tensions are driving preparations in the European ruling class to try to use the military to crush strikes and social protests. In 2014, a study by the European Union's Institute for Security Studies called for using military force to put down strikes, stating, "Within the framework of the joint foreign and security policy, the responsibilities of the police and armed forces are increasingly being merged, and the capacities to tackle social protest built up."

Identifying "conflict between unequal socioeconomic classes in global society" as the main threat to EU "security," it warned, "the percentage of the population who were poor and frustrated would continue to be very high, the tensions between this world and the world of the rich would continue to increase, with corresponding consequences. … we will have to protect ourselves more strongly."

Less than two years later, these issues have taken an acute form. Draconian security policies are being imposed across Europe on the pretext of the "war on terror," a far-right regime is emerging in Poland and France's Socialist Party (PS) government has imposed a three-month state of emergency after the November 13 terror attacks in Paris.

This state of emergency bans demonstrations and the PS has cracked down on ecological protests that proceeded in defiance of this ban. It is also preparing a constitutional amendment to extend the state of emergency indefinitely, allowing police to detain and search anyone they view as a potential threat to public order.

The ruling class will seek to turn this climate of law-and-order hysteria against workers' struggles. Last week, in an unprecedented act of political intimidation, French courts condemned eight former Goodyear tire workers to prison for briefly detaining executives during a strike, setting a precedent for broader crackdowns on social opposition against layoffs and austerity.