

Massive social disaster looms as worldwide job losses from coronavirus pandemic expected to reach 25 million

Jerry White
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Millions of workers throughout the world are being thrown out of work due to the coronavirus pandemic, creating the conditions for an unprecedented economic and social crisis.

The International Labor Organization (ILO) has warned that 25 million workers could join the ranks of the unemployed over the next several months. By comparison, the 2008-09 global financial crisis increased global unemployment by 22 million.

The spread of the COVID-19 disease has already exacted a terrible human toll, with nearly 250,000 cases and more than 10,000 fatalities across the globe. The economic and social crisis, which began with the shutdown of a significant portion of China's economy and the disruption in the global supply chain, has now spread around the world as restaurants, retailers, airlines, public schools and factories close or sharply curtail operations.

While pouring trillions into the stock markets and preparing bailouts of the airline and other industries, the Trump administration in the US and capitalist governments around the world are doing little or nothing to protect workers from economic disaster.

The bipartisan measure passed in the US House of Representatives to provide workers limited paid leave, for example, excludes workplaces with over 500 workers—or nearly half the workforce.

The report by the United Nations' labor agency notes that infected workers have already lost nearly 30,000 work months, according to figures from last week. But this is only the tip of the iceberg. The rising levels of unemployment are expected to result in lost income in the range of between \$860 billion to \$3.4 trillion.

The crisis will also lead to a vast expansion of

underemployment as working hours and wages are reduced. Under the ILO's mid- to worst-case scenarios (13 million to 24.7 million job losses), there will be between 20.1 million and 35.0 million more people in working poverty than before the pre-COVID-19 estimate for 2020. This will lead to a corresponding collapse in consumption, which in turn will deepen the economic crisis.

In its report the ILO said, "Unprotected workers, including the self-employed, casual and gig workers, are likely to be disproportionately hit by the virus as they do not have access to paid or sick leave mechanisms." It also noted that turning to self-employment in the informal economy, a typical method of maintaining some form of income during economic crises, is less possible because of the restriction on the movement of peoples and goods.

There have already been widespread layoffs in manufacturing, arts and entertainment, hotels, airlines and service industries throughout the world.

Historians and industry experts are saying that the synchronized shutdown of heavy industry in Europe and the United States is unlike any seen since the 1940s, according to Bloomberg.

On Thursday, the Metropolitan Opera, the largest performing arts organization in the US, laid off its union employees, including its chorus singers and musicians. The International Alliance of Theatrical Stage Employees, IATSE, estimated that 120,000 jobs for film workers, including technicians, artisans and other crew positions, have been eliminated.

Danny Meyer's Union Square Hospitality Group on Wednesday laid off 3,000 restaurant workers, which is 80 percent of its workforce, including 2,000 in New

York City alone. Pebblebrook Hotel Trust, which owns 54 hotels, laid off half of its 8,000 workers and said it may need to cut an additional 2,000.

Scandinavian Airlines said Sunday it will temporarily lay off 10,000 employees, equal to 90 percent of its staff. Norwegian Air will temporarily lay off up to 50 percent of its workforce, or 7,300 workers, and suspend 4,000 flights.

In the US, economists are warning that payroll cuts next month could reach two million—well above the 800,000 peak job loss in March 2009, during the Great Recession. Former Trump advisor Kevin Hassett told CNN on Thursday that the US could face another Great Depression, when the jobless rate peaked at 24.9 percent in 1933. According to Moody's Analytics, nearly 80 million jobs—more than half of the jobs in the US economy—are at risk due to the coronavirus.

Nine percent of all working Americans—or 14 million workers—have been laid off due to the pandemic, according to SurveyUSA, and another 25 percent have been put on short hours.

At least 11 states saw a huge spike in filings for unemployment benefits, as new unemployment claims in the US rose by 33 percent last week to over 280,000. In New Jersey, 15,000 people filed for jobless benefits, crashing the state's website. In New York, 21,000 people called to file for unemployment by noon on Tuesday, compared to 2,000 the same day last week.

In Ohio, there were 11,995 unemployment claims on Sunday and 36,645 on Monday. In Texas, around 16,000 people sought unemployment benefits last week, up from 4,500 a week ago.

With half of US adults living paycheck to paycheck this year and 53 percent reporting they did not have an emergency fund that covers at least three months of expenses, the loss of jobs means destitution for millions.

The Trump administration has responded to the spike in unemployment by urging state labor officials to delay releasing the precise number of jobless claims in order to prevent a further stock market sellout, according to the *New York Times*.

In an email sent Wednesday, the Labor Department instructed state officials to only “provide information using generalities to describe claims levels (very high, large increase)” until the department releases the total number of national claims next Thursday. Because the

reports were monitored by the financial markets, “States should not provide numeric values to the public,” wrote Gay Gilbert, the administrator of the department's Office of Employment Insurance.

The accelerating public health crisis is metastasizing into a massive economic and social crisis. In the face of this, capitalist governments, acting on behalf of the most powerful financial and corporate interests, will seek to exploit the crisis to accelerate the destruction of workers' jobs and living standards, just as they did in the 2008-09 global financial crisis.

The working class must advance its own answer to the crisis, including demanding full compensation for all workers laid off due to the pandemic. Non-essential production must be shut down to protect workers from unnecessary exposure, however the workers cannot be made to bear the consequences.

Instead of bailing out the giant corporations, they should be transformed into public utilities and re-fitted for the production of medical equipment and other necessities to protect public health. The enormous profits amassed by the corporations must be utilized to pay for the costs of the economic crisis.

It is the livelihoods of the working class that must be secured, not the profits of the banks and corporations and the wealth of the financial oligarchy.



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