

Britain's jobs massacre continues

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Workers are facing an economic calamity as businesses continue to shed jobs. The losses are across all industries—a trend apparent before the pandemic—with the UK's largest car producer Jaguar Land Rover announcing redundancies, as well as car dealerships, bus maker Alexander Dennis, the distillery industry, retailer Selfridges, holiday giant Tui, and The National Trust.

The government imposed a national lockdown on March 23, though many non-essential online businesses like Amazon and Asos remained open, while outbreaks of the virus continued in workplaces. Winding down the lockdown has driven millions back to work in unsafe conditions, resulting in alarming spikes across regions like the north west and west Yorkshire. The government is intent on reopening schools in September, despite opposition from parents and teachers.

But many have no jobs to go back to. Young people have been especially hard hit, as many work in hospitality and retail. According to the Office for National Statistics (ONS), joblessness among 16-24-year-olds increased by 47,000 over last year.

Since the pandemic struck, 13,000 jobs have gone in the UK car industry as demand has plummeted. Car production halved this year, costing 11,000 jobs. With the UK expected to produce just over 880,000 new cars, this marks the lowest output since 1957. Jaguar Land Rover is planning 2,200 redundancies across the industry.

Bus maker Alexander Dennis, which employed 2,700 worldwide before the pandemic, has had no new orders since March and is cutting 650 jobs. Sites in Guildford, Scarborough and Falkirk will be affected. Owned by Canadian NFI Group, the company made 1,250 buses for the UK in 2019. Alexander Dennis chief executive Colin Robertson said the bus industry faced an “unprecedented crisis” and called on the government to make good its pledge to order 4,000 environmentally friendly buses.

Pendragon, which owns car dealers Evans Halshaw and Stratstone, plans to cut 1,800 jobs from its workforce of 8,000. Evans Halshaw caters for mass market selling brands including Peugeot, Renault, Vauxhall, and Ford.

Its Stratstone chain sells marques such as BMW, Ferrari, and Jaguar Land Rover. Many of these losses were planned before the pandemic, with the virus acting as an accelerant. Pendragon, which will retain 150 dealerships, expects to save around £35 million a year.

Car dealerships, like high street chains, have suffered closures due to increased competition from online retailers and behemoths like Amazon.

Society of Motor Manufacturers and Traders boss, Mike Hawes, said the latest car manufacturing report made “grim reading” and that the future of the UK car-making “depends on securing a good deal” as part of Brexit negotiations. This does not seem a realistic prospect, with a hard Brexit looking increasingly likely, and America an unreliable and inadequate trading partner.

Despite Boris Johnson's Conservative government allowing itself to be pressured into backing the US in its trade war with China, 6,500 distillery jobs could go due to President Donald Trump's threat to levy 25 percent export tariffs on UK gin, vodka and blended whisky. Britain exports spirits worth £1.5 billion to the US each year.

Last October, the US imposed a 25 percent tariff on UK single malt Scotch whiskey—fall-out from the EU-US trade dispute between plane makers Airbus and Boeing, according to the industry. The UK Spirits Alliance has turned to International Trade Secretary Liz Truss to challenge the tariffs before the US Trade Representative review on August 12.

KPMG International Services is the first of the big four accountancy organisations to announce redundancies in Britain, planning to slash 200 posts due to falling demand for its consultancy services—an indication that the economy will not return to its pre-pandemic levels. It is planning to cut employer contributions to pensions, currently at 4.5 percent of salaries. In July, Accenture announced it was contemplating reducing its UK workforce by eight percent.

The National Trust has announced 1,200 redundancies since it closed its houses, parks, gardens, and cafes at the

start of lockdown. With 5.6 million members, the charity manages some of the UK's key cultural heritage sites and places of natural beauty. Laying off 13 percent of staff out of a total of 9,500 would save £60 million. The trust has already imposed a recruitment freeze, as well deferring or ending projects worth £124 million.

Another visitor attraction, the Eden project in Cornwall, is set to shed between 200 and 220 jobs after losing £7 million in visitor revenue this year. The project boasts two biomes containing plants from diverse environments and promotes sustainability.

As well as culture and leisure, the holiday industry continues to be severely impacted, despite the government easing restrictions on trips abroad—in its typically shambolic fashion. Tui plans the closure of 166 travel agencies on the high street in the UK and Ireland, after losing £747 million in the first half of 2020. After a brief lifting of restrictions, the government removed Spain from its list of safe destinations for tourists and reintroduced a 14-day quarantine for travellers from Spain. Tui responded by cancelling all flights to the country.

While 900 jobs are on the line, Tui has said that for now 70 percent of employees affected would transfer to home working. The company has closed 70 stores in France with 600 job losses, citing the increasing number of online bookings as a major factor in addition to the pandemic.

The response of Transport Salaried Staffs' Association General Secretary Manuel Cortes was to “call on Tui and other employers to engage with our union so we can jointly lobby government.”

British Airways, part of the International Airways group, originally planned 12,000 redundancies. It has reached an agreement with BALPA, the pilots union, to accept 270 job losses and major pay cuts.

After revealing that BA had a timetable to fire and rehire thousands on August 7, Unite leader, Len McCluskey, wrote a grovelling appeal to BA chief Alex Cruz, urging that the “only way to have a lasting peace and avoid months/years of industrial unrest is to work with us to achieve an acceptable way forward.”

Upmarket Selfridges is the latest major high street chain to announce job losses across its four stores and impacting 450 jobs, or 14 percent of its staff. Even before the pandemic, the high street was struggling to compete with online retailers due to high rents. John Lewis has also revealed plans to shut eight of its department stores, while Debenhams is up for sale to avoid liquidation.

Manufacturer of household appliances Dysons is set to lose 900 jobs, 600 from its UK workforce. Last year, owner Sir James Dyson came out top in the UK's rich list, increasing his wealth from £3.6 billion to £16.2 billion. Meanwhile, the working class is facing impoverishment as jobs go and wages are slashed.

DW Sports, a gym and sports retailer, is to enter administration, putting 1,700 jobs at risk. It operated 73 gyms and 75 stores across the UK, with all stores now set to close and saving gyms dependent upon deals worked out with the administrators.

The ONS reported that the number of workers on UK company payrolls decreased by 649,000 between March and June, a fall of 2.2 percent. This figure did not include the self-employed who were unable to work.

The Office for Budget Responsibility (OBR) estimates that ten percent of the 9.4 million employees who were once on the government financed furlough scheme will become unemployed when it ends completely in October. In May, the ONS revealed half a million people who are technically employed are not in work and not receiving pay.

The OBR warned that unemployment could soar to four million without the development of an early vaccine. This warning was underscored by a survey conducted by the British Chambers of Commerce, which found 29 percent of businesses would cut jobs in the next three months.



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