

# New bailout for UK corporations as COVID-19 infections rocket

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Friday saw the highest ever number of daily COVID-19 cases in the UK throughout the pandemic, 6,874, with 34 deaths announced. This topped Thursday's record of 6,634 new infections, along with 40 deaths. These infection rates are double those recorded a week ago.

Yesterday's total would have been higher still, but figures for Scotland, which has seen a huge surge in infections fuelled by children and students returning to classroom and lecture halls, were not available due to a power cut at the National Records of Scotland. The government's Scientific Advisory Group for Emergencies (SAGE) upped its estimate of the *R* (Reproduction) value of the virus to between 1.1 and 1.5. London joins the North East and North West of England as having the highest growth rates of the virus in the country.

Separate data from Kings College London (KCL) and the Office for National Statistics (ONS) showed a more realistic 9,000 to 16,000 newly infected each day. KCL runs the COVID Symptom Tracker mobile app, which estimates at least 16,310 daily COVID-19 cases in the last week—more than double last week's estimate.

London, with a population of nearly 10 million, is on the brink of being locked down and will be added to the COVID-19 watch-list, with its 32 boroughs classed as "areas of concern." Hospitalisation rates for COVID-19 in the capital tripled within a fortnight to 33.4 by September 18.

Over 13 million people are living under local lockdown. Wales' two largest cities, Cardiff and Swansea, will go under lockdown on Saturday. This will bring half the Welsh population (1.5 million people) under lockdown. In England, different households were banned from meeting in private homes or gardens from midnight Friday in Leeds, Stockport,

Wigan and Blackpool.

COVID-19 is on the rise among all age groups. The highest rates of infection, unlike the initial months of the pandemic, are among those aged 17–24. An 18-year-old was among those who died on Thursday.

Food processing plants have been some of the main vectors for the spread of the virus. On Thursday, a factory worker at the Aunt Bessie's factory in Hull was confirmed to have died, with coronavirus suspected as the cause, only two weeks after a coronavirus outbreak among the 400-strong workforce. The following day the entire East Yorkshire region of England, including Hull, was put at "amber level" after a leap in cases.

The *Daily Mail* reported Friday, "It is understood another [Aunt Bessie's] employee told bosses that they were feeling unwell on Thursday, September 3—the day before a second staff member reported also being ill." Despite the worker's death and others falling ill, including one who is "seriously ill," the factory remains open.

An outbreak forced the temporary closure, earlier this week, of a Greggs bakery factory in Newcastle. This is just a few weeks after Greggs was forced to temporarily shut its distribution centre, in Bramley, near Leeds, after 20 workers out of 150 tested positive for COVID-19. Three weeks ago, six workers were sent home at the Stoke on Trent factory of another of the largest bakery firms, Mr. Kipling.

Following the pathetic measures outlined by Prime Minister Boris Johnson Tuesday that will do nothing to prevent the spread of the virus, Chancellor Rishi Sunak delivered his delayed budget Thursday, recast as the "Winter Economic Plan." Having flung open the economy, schools and universities, solely to allow the corporations to continue profitmaking, the government had no plan in place in the face of a public health

catastrophe. Until a few weeks ago, Sunak was confidently stating that the government's jobs furlough scheme would be ending as planned, at the end of October.

Sunak has now announced a new Job Support Scheme (JSS) in its place. But this is not being implemented for the benefit of millions of workers, whose jobs are on the line, but because big business was screaming for more state subsidies.

The UK scheme will be a watered-down version of Germany's long-established *Kurzarbeit* (short-time working) system, which in that country can pay up to 87 percent of net wages to prevent layoffs. On the day of the UK's lockdown, March 23, the *Financial Times* lauded it with an article, "Kurzarbeit: a German export most of Europe wants to buy." The benefits of such a state-funded bailout were laid out: "Under the scheme, companies hit by a downturn can send their workers home, or radically reduce their hours, and the state will replace a large part of their lost income."

Sunak's scheme is aiming at ensuring corporations can retain their most experienced workers. To qualify, employees will need to be working at least a third of their normal hours, to be paid fully by their employer. For the hours they do not work, the government and employer will each pay a third. The government's contribution is capped at just £698 per worker per month. The scheme will last for only six months.

For many in the hospitality and service sector, where millions of young people are employed on precarious contracts, the JSS will see their jobs gone. Three million people remain on the furlough scheme, with estimates that more than a million of these could lose their jobs when it ends.

Sunak told the press, "Unemployment is already rising and will continue to rise. We have already lost 700,000 jobs this year ..." Asked if unemployment could reach four million in the period ahead, Sunak said, "Independent forecasts don't make for good reading," referring to estimations of unemployment rising to almost 16 percent—from almost 4 percent now.

The Tories' house organ, the *Daily Telegraph*, was ecstatic about the furlough scheme being "killed off" and its replacement by JSS. It editorialised that the new scheme only "supports employment that businesses judge has a long-term future. By implication, it won't support those jobs that aren't viable even after some

subsidy." Sunak had responded well to what the newspaper described as "capitalism's process of creative destruction." A "huge and devastating increase in unemployment ... is about to engulf Britain, and the solution to that lies in stimulating private sector growth."

The most important political feature of Sunak's announcement was that he unveiled it outside his office in Downing Street, flanked by Trades Union Congress (TUC) General Secretary Frances O'Grady and Confederation of British Industry (CBI) Director General Dame Carolyn Fairbairn. The event epitomised the role of the trade unions as a de facto governing partner of the Tories, in alliance with big business. From the beginning of the pandemic, the unions have worked intimately with the government in organising its multi-billion bailout for business and then overseeing what it described as a "mass return to work" on behalf of the bosses.

At the TUC Conference last week O'Grady stated, "My message to the chancellor is this: We worked together once before. We are ready to work with you again—if you are serious about stopping the catastrophe of mass unemployment." The TUC described the JSS as "a win for unions" as the government had "bowed to pressure from trade unions and others ... A National Recovery Council should now be convened, bringing together government, business and unions."

All the efforts of the TUC cannot conceal that the profit interests of the capitalists and those of workers are diametrically opposed. The *Telegraph* painted the real picture, with its editorial concluding, "The next few months are going to be tough: the number of hospitalisations is increasing and unemployment will rocket, inflicting mass misery."

They say a picture paints a thousand words. The two-page spread the *Telegraph* devoted to Sunak's talks in Downing Street with O'Grady and Fairbairn includes a shot of them sharing a joke together, with the newspaper's headline reading, "Wave of job losses is 'inevitable' in Sunak's winter economic plan."



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