

UK jobs cull continues as thousands more redundancies are announced

Margot Miller
12 October 2020

Figures obtained through a Freedom of Information request by the BBC reveals that UK employers planned almost 500,000 redundancies through restructuring programmes from April to August inclusive.

Since lockdown began in March, hundreds of thousands of jobs have been lost, with many more expected by the end of the year, as the COVID-19 pandemic spirals out of control.

Official unemployment currently stands at just under 4 percent. The Bank of England expects a rise to 7.5 percent following the end of the furlough scheme. Other estimates warn that unemployment may treble to 15 percent.

The pandemic is having a devastating impact on lives and livelihoods, thanks to the disastrous policies of the Johnson led Conservative government. With support from the Labour Party opposition and trade unions, the government belatedly introduced a national lockdown then, with the bailout of financial markets secured, moved precipitously to reopen the economy before the virus was under control.

Worst hit on the jobs front are the aviation and retail sectors. Prominent high street stores such as Marks and Spencer, Debenhams, Boots and John Lewis have either shed jobs or closed some outlets, while others like Oasis and Warehouse have disappeared altogether.

Last week, Sky News reported 34,304 job losses in aviation, 33,304 in retail, 30,421, in hospitality, 24,461 in the wider economy, 9,600 in the energy sector and 8,968 in manufacturing including the auto industry.

Fashion chain Edinburgh Woollen Mill (EWM), owner of Peacocks and Jaeger, is the latest casualty to call in administrators—in the hope of finding a buyer for the ailing concern, which employs 24,000. The company opened its first shop in Edinburgh in 1970.

Without a buyer coming forward, this would be the

biggest single loss of jobs so far since British Airways announced 12,000 redundancies in April. EWM Chief executive Steve Simpson said: "Like every retailer, we have found the past seven months extremely difficult."

Retailers were hard hit by the initial national lockdown imposed on March 23 and then partial lockdowns implemented across swathes of the UK, which emptied the high streets. Even before the pandemic, stores like Debenhams were shutting their doors or restructuring, unable to compete with online retailers.

EWM has denied allegations it recently offset costs by refusing to pay Bangladeshi suppliers. While workers are threatened with their livelihoods, owner Phillip Day will be cushioned by his fortune of £1.2 billion.

The news that EWM were entering administration came just hours before Chancellor Rishi Sunak announced further measures to replace the government's furlough scheme. The new Jobs Support Scheme anticipates the extension of lockdowns in the hospitality and leisure industry in regions of the UK where the virus is spiking dramatically—as in the north west, north east, parts of Yorkshire and the west Midlands.

When the furlough scheme—which subsidised 80 percent of the wages of workers furloughed during lockdown—ends October 31, unemployment is set to rise rapidly by between 1.8 million and six million—as employers lay off previously furloughed workers permanently. The new scheme will pay workers in pubs, restaurants, and other businesses just two thirds of their wages if they are instructed to close. Many workers in hospitality already exist on notoriously low wages, meaning the government's scheme affords an unliveable pittance.

Many employers will refuse to pay the remaining third of workers' wages under the new scheme or lay them off for good anyway. Indeed, this is already happening.

Manchester Airport Group (MAG) has announced it will lose 900 roles—465 in Manchester, 376 at its Stansted hub and 51 in the East Midlands. Shift pattern changes are also being proposed to save costs.

MAG said the cuts were necessary as the government furlough scheme was being replaced by the jobs support scheme providing a "much smaller contribution to meeting payroll costs" for the six months thereafter.

MAG said it was pessimistic about the prospect of the market, down 90 percent since March, returning to normal until 2023-24.

It also criticised the failure of the Tories airport testing system. The roll-out of airport testing promised by the government to reduce the 14-day quarantining of travellers entering the UK has yet to materialise.

In relation to the delay in testing at airports, a spokesperson for Virgin Atlantic warned that "every day counts" and that 500,000 jobs were at risk in the industry.

UK Hospitality chief executive Kate Nicholls told the Commons Treasury Committee that half a million redundancies were anticipated in the hospitality industry. She said the 10pm curfew on pubs and restaurants, coupled with poor support from central government and local lockdown restrictions, spelled the end for many businesses.

Theatres and the events industry are exempt from Sunak's latest scheme.

According to a survey by planning platform Feast It, the events industry is braced for 400,000 job losses by the end of the year. Sixty-one percent of the 503 companies surveyed believed that by March 2021 they would be out of business. The industry is worth £70 billion.

Earlier this month, around 45,000 jobs losses at Cineworld were announced in the US and UK, as films like the latest in the James Bond series (guaranteed to draw in large crowds before the pandemic) have been put on hold. Odeon cinemas will open weekends only. As many workers in cinemas are on zero-hour contracts, they will not be eligible for any financial support. At the end of 2019, there were one million workers on zero-hour contracts.

The trade unions are stepping up their role in collaborating with the government and employers to carry out their diktats. Refusing to lift a finger in defence of jobs, head of the Broadcasting, Entertainment, Communications and Theatre Union (Bectu) Philippa Childs said, "It is our expectation that Cineworld will continue to fulfil its legal obligations with respect to its employees, retain as many as possible, and that those it has to let go will be done so on as positive terms as possible."

The National Trust (NT) announced last week that 782 people had taken voluntary redundancy after consultation with the Prospect union and that it would impose a further 514 compulsory redundancies. 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.

NT hopes to make annual savings of £41 million by decreasing travel and office costs, and advertising online. It has already decided to end or postpone projects worth £124 million and implemented a freeze on recruitment to reduce staffing costs.

As hundreds of jobs disappeared, Prospect's Mike Clancy said, "The current plan, while devastating for those who are losing jobs they love, is a reasonable way to move forward, minimising job losses while hopefully safeguarding the National Trust's future."

Among other job losses are those at Greene King brewers who are to shed 800 jobs, while school trip specialist PGL will lose a quarter of its workforce, 670 jobs.

Youth are particularly hard hit by the shrinking jobs market. According to the Resolution Foundation think tank, employment among 18-29-year-olds is not expected to reach pre-pandemic levels for four years or more. This is particularly worrying for students, most of whom have to work during their courses to pay for extortionate accommodation fees and living expenses.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact