

Young people hit hard by UK jobs massacre

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While the UK's second four-week lockdown will have minimal impact on the spread of the pandemic in the UK, thousands more face poverty due to rising unemployment.

As job losses continue across all sectors of the economy, young people are especially hard hit. A study by the London School of Economics and Political Science (LSE) and Exeter University found, "More than one in 10 people aged 16-25 have lost their job, and just under six in 10 have seen their earnings fall since the coronavirus pandemic began."

"Generation COVID and Social Mobility: Evidence and Policy", published October 26 by LSE's Centre for Economic Performance, paints a bleak picture. Young people are facing "a dark age of low social mobility."

The report surveyed approximately 10,000 people over September and October. On top of the 5.4 percent who reported losing their jobs, 7.3 percent were working zero hours though nominally employed. The workless rate in the age group 16-25 was 18.3 percent, compared to 11.9 percent for those aged 26-65.

Report co-author Professor Stephen Machin said, "There is a real concern that people who have lost their jobs are moving onto trajectories heading to long-term unemployment, the costs of which are substantial."

The consequence for young workers beginning their working lives during a recession can impact "on earnings and jobs for 10 to 15 years, ... affecting other outcomes including general health and the likelihood of entering a life of crime."

A new term, "generation Covid", has entered the vernacular, replacing the derogatory "snowflake generation." While older workers face increasing hardship—14.3 million people were living in poverty in 2019—the youth in their families are twice as likely to become unemployed since the pandemic began. Young people make up a significant part of the retail, leisure and hospitality workforces—either working full-time or supplementing their income as students—all heavily hit by public health restrictions.

Recent announcements of job losses at supermarket

chain Sainsbury's, retailer John Lewis, Clarks shoes, Lloyds Banking group and a catering firm at British Airways amount to 7,200 redundancies.

In a bid to compete with discount rivals Aldi and Lidl, Sainsbury is shedding 3,000 jobs on its deli, fresh meat and fish counters, and at its Argos stores.

John Lewis will axe 1,500 jobs at head office, on top of 1,300 announced in July. The company employs 78,000 at its department stores and Waitrose supermarkets.

Clarks plans 700 job cuts, translating to two redundancies from each of its 320 shoe shops out of a total workforce of 3,969. The company already announced 900 job losses in May, with a strong possibility of shop closures.

Aviation and tourism firms have shed lost thousands of jobs due to the freeze in holiday bookings during the summer season. After making 1,068 workers redundant, only 500 staff remain employed by airline caterer Do and Co at Heathrow airport.

Despite registering healthy profits Lloyds, taking advantage of lockdown to further restructure, will lose 1,070 posts on top of the 865 announced in September.

The popular fast-food restaurant chain Pizza Express is to shed a further 1,300 jobs. It already announced 1,100 redundancies in August and the closure of 73 restaurants.

The latest casualties to close on the high street are the Edinburgh Woollen Mill chain and the homewares retailer Ponden Home, both part of the Phillip Day retail empire, announcing 860 redundancies. A further 2,000 jobs are also at risk as the company calls in administrators.

Even before the latest lockdown measures, which closed bars, restaurants, leisure and beauty outlets, as well as retailers classed as non-essential, a sharp rise in unemployment was forecast come winter. Now, in the run up to Christmas, up to £50 billion worth of trade could be lost.

On Tuesday, the Office for National Statistics reported that a further 314,000 redundancies were announced by businesses from July to September—a rise of 195,000 from the previous year and 181,000 from the previous quarter.

October saw a drop of another 33,000 of the number of people on payrolls, meaning that there are now 782,000 less people in employment than when the UK imposed its first lockdown in March.

This continues a trend that began well before the pandemic as companies cut costs in an increasingly competitive global market. High street stores were particularly hard hit by competition from online giants like Amazon, which is expanding as demand for online shopping soars.

In this economic climate, graduate jobs are increasingly difficult to find. The LSE report predicted growing inequality in job prospects as students from lower income backgrounds lost 52 percent of teaching time compared to a 40 percent loss from the highest income groups: “62% said their long-term plans have been affected, and 68% said they believed their future educational achievement will be affected by coronavirus.”

Confirming the World Socialist Web Site’s description of the pandemic as a “poor man’s virus”, the study found, “employment and earnings losses are more pronounced for women, the self-employed and those who grew up in a poor family”.

School students in the state sector are also losing out compared to children in the private sector, which has bountiful resources to provide safe onsite learning. The government will not close schools and release the resources necessary for safe online learning at home, despite schools and campuses being among the main vectors for the virus. The education of hundreds of thousands of children is therefore being seriously disrupted as COVID-19 rips through the classrooms. Pathetic amounts of “catch-up” funding have been allocated for schooling missed during the lockdown. This can have life-long consequences.

LSE report co-author Professor Lee Elliot Major, Professor of Social Mobility at the University of Exeter, said, “We are seeing large and sustained losses in education for school pupils and university students in the wake of the pandemic, with those from lower-income backgrounds particularly suffering. The big danger for pupils is that they suffer permanent educational scarring—missing out on key grades that can shape future life prospects.”

Another study by Kings’ Business School (King’s College London), which questioned 350 entrepreneurs during the height of the initial lockdown, reported that Chancellor Rishi Sunak’s job retention scheme offered no help to many self-employed workers or young people in

the gig economy. Half a million workers, many of them young, are forced to eke out a living on miserly welfare benefits.

While the mega-rich increased their fortunes with the government’s bailout schemes and ongoing quantitative easing measures, six million small businesses supporting 16.6 million jobs are floundering.

In a separate survey by the Federation of Small Businesses, two thirds of 1,500 businesses polled thought the prospects for trading was bleak, due to both the pandemic and the looming Brexit deadline.

The Resolution Foundation explained it was the young, black, Asian and minority ethnic workers who were falling into unemployment as the government’s initial furlough scheme ended. Only 43 percent of people who lost jobs in March, when lockdown began, had found new employment by September, reported the think tank. For young people it was tougher—only one in three young people found a new job.

Frances O’Grady, general secretary of the TUC, has appealed to the Conservative government to invest in job creation. “Losing your job is terrible at any time, but it is especially hard now when few employers are recruiting new workers. Stopping the devastation of mass unemployment must be the government’s top priority,” she said.

Her statement is the height of cynicism. The trade unions have not lifted a finger to defend a single job, and along with the Labour party enabled the Johnson government to create this health and economic catastrophe through its policy of herd immunity.



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