

US jobs massacre accelerates, as ruling class confronts growing upsurge of class struggle

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28 April 2023

The ongoing jobs massacre in the US accelerated over the past week, as the corporate and financial oligarchy intensified its efforts to suppress a growing movement in the working class for higher wages. On Thursday alone, thousands more mass layoffs were announced:

- Gap, the clothing retailer, reported that it was laying off 1,800 employees, targeting staff at the company's headquarters and those with regional leadership roles. Interim CEO Bob Martin stated the mass sackings were aimed at saving the company \$300 million a year and claimed they would release "untapped potential" at the company's brands, which include Gap, Old Navy, Banana Republic and Athleta.

- Lyft, the ride-sharing company, stated that it was cutting 1,072 jobs, over a quarter of its workforce, and was eliminating 250 job openings. In addition, the firm's new CEO, David Risher, told the remaining employees Friday that they would be required to return to offices at least three days a week, ending the company's flexible remote work policy.

- Dropbox, the file-hosting service, said that it was laying off 500 workers, or 16 percent of its staff.

The announcements on Thursday were just the latest in an unfolding jobs bloodbath in the US. Layoffs of tens of thousands of workers have been revealed or gotten underway in recent weeks, including at Amazon (9,000), Facebook parent Meta (10,000, in addition to an earlier announced 11,000), Disney (7,000), 3M (6,000), Walmart's online fulfillment centers (2,000) and electric vehicle startups Lucid (1,300) and Rivian (840). It was also revealed this week that Stellantis, the world's third-largest automaker, is aiming to slash 3,500 hourly jobs via buyouts and early retirement incentives.

Job cuts for the first three months of the year totaled 270,416, nearly four times higher than the same period in 2022, according to a report released in early April by outplacement firm Challenger, Gray & Christmas. The figure has no doubt increased substantially since then.

The consequences for millions of workers and their families will be devastating. It will mean greater hunger and homelessness, alcoholism and drug addiction, and early deaths brought on by the extreme stress of poverty.

In the eyes of the ruling class, however, these savage attacks on jobs are only the opening salvos in a much larger offensive

against the working class.

On Friday, the major media outlets carried prominent reports on the latest wage data from the Department of Labor, declaring that "elevated" and "rapid" wage growth would increase pressure on the US Federal Reserve to maintain high interest rates for longer.

A typical article in the *New York Times*, "Wages and Prices Slow Unevenly, Reflecting 'Rocky and Bumpy' Economy," cited Labor Department data showing a 5.1 percent increase in compensation for private-sector workers in March compared to a year earlier. The *Times* stated, "Faster pay gains have helped workers, particularly those at the bottom of the earnings ladder, keep up with rapidly rising prices."

What the *Times* and other outlets did not report, however, is that relatively higher wage increases have been more than eaten up by inflation, a deliberate sleight of hand on the *Times'* part. In fact, the same Labor Department report Friday showed that private-sector compensation *declined* 0.2 percent year-over-year in constant (i.e., inflation-adjusted) dollars. Earlier in April, the Labor Department reported that real average hourly earnings in March were down 1.6 percent from a year earlier.

This did not stop the *Times*, as well as the *Wall Street Journal* and *Washington Post*, which posted similar articles, from continuing to spin the false narrative that wages are the source of inflation, justifying further monetary tightening by the Fed. "Wage data is a particular focus for Fed officials, who believe that the labor market, in which there are far more available jobs than workers to fill them, is pushing up pay at an unsustainable rate, contributing to inflation," the *Times* wrote.

But the *Times* knows full well that it is profit-gouging, not wage hikes, that is the primary driver of inflation. In another article Friday, "Higher Food Prices Bring Bigger Profits, but Consumers Start to Resist," the *Times* reported how giant food conglomerates have sharply raised prices and reaped higher profits. PepsiCo raised prices 16 percent and saw an 18 percent increase in profits last quarter. Nestlé raised prices 9.8 percent, growing its revenue 5.6 percent to \$26.48 billion. Coca-Cola also raised prices, boosting its profits to \$3.1 billion, a 12 percent rise.

Beyond the food industry, one major corporation after another released earnings reports this week beating analysts'

estimates, including ExxonMobil and Chevron, Amazon and Caterpillar.

The attacks on workers' jobs and living standards in the US are part of an international process. In an interview Friday with Germany's *Frankfurter Allgemeine Zeitung*, Stellantis CEO Carlos Tavares stated that the jobs of autoworkers throughout Europe were threatened if they did not accept demands for greater "efficiency" and cost cuts.

"Can you tell me anything that is safe in this world today? From my point of view, the entire European car industry is currently at risk," Tavares said. "We need even more focus and we have to be even stricter on ourselves, demanding even more from ourselves."

Tavares—who flies from country to country to crack the whip over workers and demand "strictness"—had a pay package of nearly \$25 million in 2022, a rise of 22 percent from the year before.

The underlying aims and policies of the capitalist ruling class are being expressed ever more nakedly. Around the world, the bourgeoisie feels besieged and terrified by a rising tide of class struggle. Strikes by millions of workers have taken place against the impact of inflation and eroding wages, including in France, the UK and other European countries. Mass anti-government protests continue to take place in Sri Lanka, and over 100,000 civil service workers have been striking in Canada. In the US and Canada, opposition is building among more than 160,000 autoworkers at Ford, GM and Stellantis, whose contracts expire in mid-September.

Interest rate hikes by the Federal Reserve and other central banks, which have been carried out at the fastest rate since the 1980s, are aimed not at fighting "inflation" as such, as the bankers claim, but rather at increasing unemployment and combating the ability of workers to fight for higher wages and against corporate exploitation.

In reversing the supply of free money, however, upon which vast sections of the capitalist economy have come to rely, the Fed and other central banks are risking triggering an even greater economic meltdown, as evidenced in the ongoing instability in the banking sector. On Friday, it was reported that plans were underway by the US Federal Deposit Insurance Corporation (FDIC) to place First Republic under receivership, after the failure of efforts to rescue the bank with private funding. Should it be taken over, First Republic would be the third US bank collapse in the past two months.

The ruling class is determined to offload the cost of its economic crisis onto the working class and make it pay for the gargantuan sums being expended on the war in Ukraine and preparations for war against China.

But a countervailing force is emerging, as the international working class begins to formulate a conscious political and organizational response to the global capitalist crisis.

On Monday, the International Workers Alliance of Rank-and-File Committees (IWA-RFC) issued a statement calling for the

mobilization of all autoworkers and the formation of rank-and-file committees at every factory and workplace to fight the attacks on jobs. The statement explained that the corporations are seeking to carry out a brutal new restructuring of the auto industry with the support of the pro-corporate United Auto Workers union bureaucracy, imposing the cost of the shift to electric vehicles onto workers.

In response, the IWA-RFC outlined a program to ensure that any transition to EVs is carried out in the interests of workers, stating:

If EVs require 40 percent fewer labor hours to build, then the workweek should be reduced from the exhausting 40, 50 and even 60 hours workers routinely labor to 30 hours a week, with no loss in pay. Just as wages must rise automatically with the increase in the price of consumer goods, the number of working hours must be adjusted so available work is divided among all workers with no loss in income.

Instead of mass unemployment, workers' jobs must be guaranteed.

On Sunday, April 30 at 3 p.m. Eastern Daylight Time (US) the IWA-RFC and the *World Socialist Web Site* are co-sponsoring the 2023 International May Day Online Rally. The rally will provide workers and young people with critical information they will find nowhere else. It will disclose the underlying logic of the capitalist crisis they confront--the crisis of a system that has nothing to offer but mass unemployment, poverty, world war and environmental catastrophe. Leading members of the world socialist movement will provide an international and socialist perspective to guide the struggles of the working class that are erupting worldwide.

We urge all our readers to register, make plans to attend, and make sure that the rally reaches the widest possible audience.



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