Wave of layoffs hits UK workers

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UK department store John Lewis plans to lay off 11,000 of its employees, approximately 14 percent of its 76,000-strong workforce, over the next five years. Sources revealed to the *Guardian* that the cuts will affect all areas of the business, from the group's head office to supermarkets and department stores.

This came just days after workers found out that their redundancy packages will be cut in half, going from two weeks of pay per year of service to just one for anyone being made redundant from February 1.

In an email to employees, the John Lewis Partnership (JLP) said, "Against all of our competing priorities for investment, it's fair to say that the high cost of redundancy pay has been one of the things that's prevented us from moving as quickly as we've wanted to transform ourselves for the future and has restricted our ability to invest more in pay."

The email, which angered its workers, was apparently only intended for "central office people managers" and was sent to the entire workforce by accident, according to a subsequent memo that attempted damage-control.

The payment being cut is part of the "partnership redundancy pay" package, which comes on top of statutory redundancy pay and amounts to one week of pay per year of service for those over 22 years old and 1 and a half weeks of pay per year of service for those over 41.

The announcement prompted furious posts on the group's internal messaging board with one worker saying, "Another example of major changes being made which will affect partners without a dialogue with partners."

The JLP purports to have a different business model than traditional corporations, claiming that the workers cooperatively "own" the company and share in its profits. As such they are referred to as "partners" rather than "employees".

In reality, the "partners" do not own any shares in JLP. The company is controlled by a trust that owns virtually all of them. The board of directors that lead the trust have the power to decide how to dispose of the company's profits. Employees usually receive an annual bonus, framed as a "dividend" (even though it is subject to regular income tax rather than the much lower dividend tax), akin to performance-related bonuses most companies give out. Despite its pretensions, employees have no say in the running of the business, and, in periods of crisis, are the first to be made to pay, either in the form of worse working conditions or, as is the case now, with job cuts.

The misnamed "partnership" has been in dire straits financially for some time. It posted a loss of £59 million last year, with revenues of £10.5 billion. JLP chair, Dame Sharon White, warned at the beginning of last year that inflation had hit the business "like a hurricane" and that workers will likely be made to pay for it through job cuts. The cuts seem like they will be going ahead, despite the fact that JLP has already raised about £260 million by taking on new debt and by selling and leasing back 11 Waitrose grocery stores.

Compounding the layoffs and the cut in redundancy pay, the company also warned staff at the beginning of the month that they should expect smaller pay raises this year to save more costs related to staff. Additionally, management would have more leeway to decide which (and if) employees receive performance-related bonuses. White has said that, going forward, only those who "consistently make an exceptional contribution to the business" will receive the bonuses.

Further changes are reportedly planned to JLP's constitution that would enable the company to exploit its workers more savagely in the name of "flexibility" and "sustainability."

The latest cuts at John Lewis are part of a broader wave of layoffs and attacks on working conditions, both in the UK and around the world.

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The UK's largest commercial news publisher Reach announced 800 redundancies late last year, 320 of whom are in editorial teams, citing "challenges facing our industry". Reach owns *The Mirror*, *Daily Star*, *Daily Record*, *Manchester Evening News*, *Irish Daily Mirror*, and *Liverpool Echo*, among others.

Sky announced last week that it is going to cut approximately 1,000 jobs across its business in Britain this year. This amounts to about 4 percent of the company's 27,000 employees. The cuts are part of a restructuring effort that will see the broadcaster focus more on digital streaming over the Internet rather than satellite and will impact workers in the more "traditional" part of its business, such as the engineers who install satellite dishes to the sides of homes. Sky was acquired by US giant media conglomerate Comcast in 2018 for £32 billion.

Channel 4 TV also announced it would make redundant 200 roles, or about 15 percent of its total workforce of 1,200. The restructuring will predominately impact staff working in London, as the broadcast plans to sell its expensive headquarters in the capital and relocate. The cuts form part of a five-year strategy that aims to shift Channel 4 away from a dependency on traditional TV advertising to digital income streams.

Telecommunications company BT has already committed to shedding 55,000 jobs by 2030. It is planning to replace a fifth of that by introducing AI across the business, while another large chunk of layoffs will focus on engineers currently rolling out fibre broadband across the UK. US broadcaster Paramount, which owns Channel 5 in the UK, has announced an unspecified number of job cuts.

Layoffs extend across the banking sector.

Lloyds Banking Group is planning to cut 1,600 staff from its branch network as it tries to reduce costs and push customers towards digital services as part of a "corporate overhaul". The cuts will primarily target staff working in 114 physical locations that will be closed off this year as part of the restructuring. The bank had already announced the slashing of a separate 3,000 roles back in November.

Barclays already cut around 5,000 of its workforce last year as part of a £1 billion cost-cutting drive. The cuts have been mostly focused on the legal, HR and compliance departments and amount to 6 percent of Barclays' global workforce of 84,000. Around a quarter of the reductions will take place in the UK.

As previously reported on the WSWS, Tata Steel is laying off thousands of jobs at its operations in the UK.

As the crisis of capitalism intensifies, the ruling class everywhere attempts to make the working class pay for it through the destruction of its jobs and livelihoods. The past year has seen a jobs massacre in the tech sector. Last week, multinational shipping giant UPS announced the destruction of 12,000 jobs.

A counter-offensive against the onslaught on jobs must be initiated. But a real struggle can only be waged if it unites all sections of the working class and is organized and coordinated across national borders. Such a struggle requires the expansion of the network of rank-and-file committees and the International Workers Alliance of Rank-and-File Committees.

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