

# The ruling class demands more “economic pain,” as corporations accelerate job cuts in US and around the world

Jerry White  
15 February 2024

Job cuts in the United States and across the world are accelerating daily, with corporate executives assuring their shareholders that more work and profits will be squeezed from fewer and fewer workers.

According to a Morgan Stanley analysis of recent earnings calls, “Transcript mentions of ‘operational efficiency’ were at the highest ever in the US during this earnings season as companies focus on expense discipline, but also invest in technologies ‘that can drive future productivity like AI.’”

Bloomberg, which reported on the analysis, added, “Walt Disney Co. said profit this year will rise at least 20% thanks to cost cutting.” By “cost cutting” is meant a jobs massacre.

A survey by ResumeBuilder found that “38 percent of business leaders think layoffs are likely in 2024, and around half say their company will implement a hiring freeze.” Four out of 10 respondents said they are replacing workers with artificial intelligence, *Business Insider* wrote, adding that “the trend has already begun, with major tech companies like Dropbox, Google, and IBM announcing layoffs as part of a new focus on AI.”

In the last several days alone, job cuts were announced by Estée Lauder (up to 3,000), Paramount Global (800), Snap (530), Instacart (250), Blackberry (200) and SiriusXM (160). US healthcare employers, which announced 58,560 job cuts last year, up 91 percent over 2022, continued slashing jobs. Up to 400 positions have been cut by One Medical and Amazon Pharmacy and 52 at Pfizer.

Late last month, UPS announced it would cut 12,000 salaried workers by the middle of 2024 and triple the use of AI and other labor-saving technologies. Sort shifts have been eliminated in Baltimore, New York City and other locations, threatening the jobs of hundreds, if not thousands, of warehouse workers. At the same time, UPS executives announced that \$7.6 billion had been shoveled to shareholders through stock buybacks and increased dividends last year.

The mounting wave of layoffs is part of a broader process

in which companies are cut to the bone while funneling ever more resources to the super-rich and parasitic financial aristocracy. In a comment titled “Stock buyback fever,” Seeking Alpha reported massive stock repurchase programs announced by Meta (\$50 billion), Alibaba (\$25B), Disney (\$3B) and other companies announcing mass layoffs.

Thursday, Stellantis, the world’s third-largest automaker, is expected to announce 2023 profits over \$25 billion and stock buybacks of nearly \$2 billion. The company is currently firing 2,100 temporary workers and carrying out mass layoffs in Michigan, Ohio and Indiana, as part of a global restructuring campaign. Last week Italian Stellantis workers staged three days of wildcat strikes against the layoff of 2,455 workers at the Mirafiori plant in Turin, Italy, and threats to close the historic factory.

This ruling class offensive has been facilitated by the trade union apparatus. The wave of job cuts in the auto industry, film and television and UPS follow the supposedly “historic” labor agreements signed by the United Auto Workers, SAG-AFTRA, the Writers Guild and the Teamsters unions last year. In fact, the deals, worked out in close collaboration with the Biden administration, have opened the door for massive job cuts.

The union apparatus has prevented strikes or sold them out and forced workers to bear the full costs of the economic crisis and a spike in prices, which, despite the decline in the official inflation rate, still has workers paying 19.6 percent more for basic goods than in 2019 and 25 percent more for groceries.

Unionized workers’ wages rose by only 5.4 percent over the 12 months ending in December 2023 and 4 percent in manufacturing, according to new figures from the Bureau of Labor Statistics. This was only slightly higher than the 4.2 percent raise non-union workers received and the 3.9 percent increase for non-union manufacturing workers. In goods-producing industries, which include mining, construction and manufacturing, non-union workers actually got a higher

pay increase than union workers, 4.1 percent compared to 3.9 percent.

However, price increases have largely eaten up these nominal raises. According to the US Treasury, median weekly wages increased just 1.7 percent from 2019 to 2023 when inflation is taken into account. The impact on the daily lives of millions of workers is growing indebtedness, poverty, hunger, and a continuous scramble to survive.

The aim of the ruling class's job-cutting campaign is not simply the suppression of wages but a far more sweeping restructuring of class relations. The criminal prioritization of profits over human lives in the face of the ongoing COVID-19 pandemic has led to the deaths of 1.2 million people in the US alone, the debilitation of millions more and a sharp decline in labor force participation. President Trump oversaw a multitrillion-dollar bipartisan bailout of Wall Street, and the Biden administration was tasked with making the working class pay for it.

But the "labor shortage" gave workers a certain leverage, including a relatively greater flexibility to find jobs that paid more or had better conditions. The aim of the Federal Reserve's rapid increase in interest rates has been to destroy even this minimal leverage by driving up unemployment and terrorizing the working class into submission.

So important is this policy that Fed Chair Jerome Powell has delayed beginning to cut interest rates, even though virtually free money has been central to the record rise of the stock market and enrichment of the financial oligarchy. In the aftermath of the jobs report that showed hiring still outpacing layoffs, Powell indicated that the future rate cuts depended on a sufficient "weakening in the labor market."

The *Financial Times* articulated the outlook of the ruling class in an article last week celebrating what it called a "shift in the balance of power from employee to employer."

This change, enforced by the trade union apparatus, is critical as the Biden administration prepares to impose a savage austerity plan of social service cuts and other attacks to force the working class to pay for its ever-expanding war of global conquest on behalf of US imperialism. The White House, which is fully backing the Israeli genocide in Gaza, is once again looking to the trade union apparatus to suppress working class resistance and impose the labor discipline and brutal exploitation in the factories necessary to expand the wars against Iran, Russia and China.

But workers in the US and around the world will not accept mass unemployment and destitution. Already there is a growing movement of the working class, from Italian Stellantis workers, to Mexican Audi workers striking against poverty wages, and the growing movement of German workers who are facing historic job attacks at VW, Ford, Bosch, BASF, Continental, Michelin, Goodyear and other

corporations.

Terminated temporary employees and full-time autoworkers in the United States have formed the Rank-and-File Committee to Fight Job Cuts in opposition to the collusion of the UAW bureaucracy.

The fight against job-cutting must be organized independently of the pro-capitalist and pro-war labor bureaucracies and coordinated across borders by expanding the International Workers Alliance of Rank-and-File Committees (IWA-RFC).

The fact that workers are confronted with a class policy, integral to the ruling class's agenda of war abroad and war at home, raises the necessity to develop a political counter-offensive by the working class. This counter-offensive must connect the fight against capitalist exploitation and war, and set as its aim the conquest of political power by the working class.

In a more rationally organized, i.e., socialist society, technologies like AI that increase the productive capacity of mankind would be used to shorten the workweek, lessen the physical toll on workers and greatly increase their living standards. Only when the working class takes political power in its own hands will it be possible to put an end to the outmoded and brutal capitalist system, place the giant industries in the hands of the working class and reorganize the world economy on the basis of human need, not private profit.



To contact the WSWWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**