

US layoffs in February hit highest mark since Great Recession

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The number of announced layoffs in the United States hit its highest mark for a February since 2009, during the Great Recession, according to a new jobs report by Challenger, Gray & Christmas.

US employers announced 84,638 layoffs last month, according to the outplacement firm, which releases monthly reports on layoffs. This is 9 percent more than the same time in 2023. Last year, US firms cut over 721,000 jobs, nearly double the previous year's mark.

At the same time, the report found companies announced plans to hire only 10,317 workers, bringing the total for the first two months of the year to the lowest level since the firm began tracking figures in 2009.

The mass layoffs are the result of deliberate policies, not so-called "market forces." Led by the Biden administration and the US Federal Reserve, which has raised interest rates over the last two years with the explicit goal of increasing unemployment and curbing extremely modest wage growth, US and global corporations are attempting to use mass job cuts to smash the growing resistance of the working class.

This opposition was expressed in the continuing rise in strikes last year, when the number of US workers involved in work stoppages quadrupled, and the number of large strikes more than doubled.

This year, a key weapon in the jobs massacre is maturing technologies in automation and artificial intelligence. These advances, which could be used to ease the burden of work and more efficiently meet society's needs, are instead being weaponized under capitalism to destroy whole sections of the workforce. According to a survey to start the year by ResumeBuilder.com, 38 percent of business leaders predicted job cuts this year in their industries, with 4 in 10 citing AI as a driving factor.

On Tuesday, IBM told workers in a seven-minute meeting that it was eliminating half of the jobs in its marketing and communications division, CNBC reported. The cuts come after the computer hardware company declared it would begin "massively upskilling" its workforce in AI last December and earlier announced in August plans to replace 8,000 workers with AI.

Job cuts are also being carried out by corporations all over the world, not just the United States. China's LONGi Green Energy Technology Company, the largest solar panel manufacturer in the world, has announced plans to cut 30 percent of its 80,000 workers, in response to "overcapacity" and increased competition, according to Bloomberg.

Those cuts are taking place as the US imperialism moves ruthlessly to shut out Chinese competitors from the marketplace, with measures to ban Chinese-owned social media platform TikTok and to slap sharp tariffs on Chinese electric vehicles being considered by Congress. Both corporate parties are attempting to use anti-Chinese nationalism to blame "foreign adversaries" for job cuts being carried out by US corporations, with the full support of the political establishment.

Several industries saw particularly sharp increases in layoff announcements year on year in February, showing the attack on jobs is expanding into wider sections of the economy. Announced manufacturing cuts jumped over 17 times over the first two months of the year, from 421

through February 2023 to 7,806 this year. Layoffs in transportation also increased over five-fold to 14,148 jobs.

These figures appear to be largely due to massive layoffs underway in the auto industry and at UPS, respectively, following sellout labor agreements signed by the United Auto Workers and Teamsters bureaucracies last year. In both cases, the union bureaucracy claimed to have secured "historic" gains, only for mass layoffs to begin months or even weeks later, including around 8,000 in the auto industry and more than 12,000 at UPS .

However, Challenger's count for transportation workers does not appear to include tens of thousands of jobs being targeted at the United States Postal Service as part of a massive restructuring effort. Those cuts are being carried out under a veil of silence with the full support of the postal unions.

Workers are being thrust into struggle against not only corporate layoffs but the union bureaucracy. In the United States, hundreds of layoffs earlier this month at Stellantis' Toledo Jeep plant triggered wildcat sickouts by workers. Fired temporary workers also protested outside of the UAW headquarters in downtown Detroit, holding the union responsible for job cuts which it is doing nothing to oppose.

Above all, this is being expressed in the growing organized opposition to the bureaucracy, in the form of rank-and-file committees, which are being formed in the auto industry, in UPS, among educators, and other workers impacted by job cuts.

The shift towards electric vehicles is being used by the global auto industry to slash hundreds of thousands of jobs over the next several years, and UPS is implementing automation in its warehouses with the potential to eliminate 80 percent of all inside jobs.

Electric vehicle startup Rivian, which produces electric SUVs and pickup trucks, has cut 100 workers from its factory in Normal, Illinois, in response to rising costs and slower than expected adoption of EVs, according to *Crain's*. The company lost \$1.5 billion in last year's fourth quarter.

The attack on jobs using EV technology is also well-advanced in Europe. In Germany, Ford and the IG Metall union have agreed to terms for the closure of the company's plant in Saarlouis. The cuts at Saarlouis come after IG Metall and its Spanish counterpart whipsawed German workers against Spanish workers at a Ford plant in Valencia in a concessions bidding war to see which plant would get to produce a model of electric vehicle.

In the US, energy companies have also increased job cuts tenfold to 4,486 so far this year. Education layoffs also shot up nearly 10 times to 6,336, as the Biden administration allows federal COVID-19 funding to run out and state and local authorities cut public education. Job cuts in food production nearly quadrupled to 2,158.

While the latest Challenger report did not specify the number of healthcare jobs cut, this was one of the top areas targeted for layoffs last year, driven by both cuts to COVID-19 spending and massive debts

incurred by parasitic mergers and acquisitions by huge healthcare firms.

However, cuts in the technology sector continue to predominate, with 12,412 announced last month and 28,212 so far this year. A separate count by Layoffs.fyi found even higher numbers, with 209 tech companies cutting 50,312 jobs so far this year. Last year, more than 260,000 tech jobs were slashed, according to the website.

These are the deepest job cuts among tech workers in a generation, since the burst of the dot-com bubble at the turn of the century, according to a report by CNBC which described a “sense of impending doom” in the industry. “It’s a particularly confounding situation for software developers and data scientists, who just a couple of years ago had some of the most marketable and highly valued skills on the planet, and are now considering whether they need to exit the industry to find employment,” the business outlet said.

Laid-off workers who spoke with CNBC described hundreds of applicants for single job openings, with tens of thousands from large prestigious firms such as Google, which has slashed more than 12,000 jobs, now on the street and unable to find work.

Meanwhile, companies are moving at breakneck speed towards the use of artificial intelligence, and salaries for senior AI engineers rose to more than \$190,000. But even for AI jobs, applicants are “competing against people who have six, seven, eight years of experience for the same position,” one worker told CNBC.

Retailers also continued to announce steep cuts and store closures, following last week’s announcement by Dollar Tree that it would shutter 1,000 locations and Macy’s announcement last month it would axe 150 stores.

Tech retailer Best Buy announced last week it would close more stores, after having shuttered 24 last year. Around 10 to 15 stores are slated for closure this year, according to the company. Pharmacy chain Walgreen’s announced it would close two distribution centers and cut over 600 jobs in Connecticut and Orlando, *Newsweek* reported Monday.

The role of the union bureaucracy has been critical in allowing corporations to carry out these cuts without substantial organized opposition. They are also acting as a critical arm of government policy, especially in preparing the American working class for war. UAW President Shawn Fain has made several public appearances with President Biden while shielding him from or expelling protesters opposed to the Democratic president’s support for the Israeli genocide in Gaza.

The most recent appearance was at the State of the Union address, where Fain was an invited guest and received a standing ovation as a “great labor leader and great friend.” The president’s warmongering speech, underscored his administration’s reliance on the trade union bureaucracy not only to impose job cuts and suppress wages but to force workers to sacrifice for expanding wars that are deeply unpopular.

Trillions of dollars are being siphoned from the working class in the form of layoffs, wage cuts and speedup into war. While the center of this process is the United States, this is also taking place in all of the imperialist countries. In Germany, tens of billions in euros in cuts to social spending were approved in the latest budget, while military spending continues to rise. German imperialism is heavily invested in the war in Ukraine, site of some of the worst Nazi atrocities during World War II.

But this is provoking mass opposition. Germany saw a series of national strikes by railroad, public transit and airline workers last week, which the union bureaucracy is trying to tie up in arbitration.

Jerry White, the Socialist Equality Party candidate for US vice president, denounced the job cuts in a post on X (Twitter) and outlined the SEP’s program to defend jobs.

It read in part:

The impoverishment of the working class is a deliberate class war policy, fully supported by the Biden administration and both corporate-controlled parties. Joseph Kishore, the Socialist Equality Party’s candidate for US president, and I insist that a secure and good-paying job is the most basic right of every worker. To protect the working class from economic ruin and all the perils associated with poverty—homelessness, broken families, substance abuse, suicide—we demand the following emergency measures to guarantee employment and full income to all workers.

· **A sliding scale of work hours and wages.** If new technologies enable workers to produce commodities in a shorter amount of time, then work hours must be sharply reduced and available work divided among workers while increasing pay. Wages must be indexed to the real cost of living so workers can afford basic necessities, including groceries which cost 25% more now than in 2020.

· **For the socialist transformation of the economy.** If capitalism is incapable of guaranteeing employment and a decent living standard to all workers—and it has proved it cannot—then the profit system must be abolished. The SEP calls for the giant conglomerates to be converted into public utilities, collectively owned and democratically controlled by the working class, as part of the socialist transformation of the US and world economy.

In every factory and workplace, workers should organize rank-and-file committees, independently of the trade union bureaucracies, to prepare strikes and other measures to defend jobs. In opposition to the filthy anti-Chinese chauvinism, economic nationalism and warmongering of both corporate-controlled parties and the union apparatus, the SEP is fighting for workers to coordinate their struggles against the global corporations through the expansion of the International Workers Alliance of Rank-and-File Committees (IWA-RFC).



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