

Britain: Unemployment continues rise to 2.4 million

By Peter Reydt
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The media never stops trying to convince workers that the global economic recession is not all that deep and that a recovery is already under way. But new economic figures are proof to the contrary. The social impact of the recession has only just begun to work its way into people's lives.

The Office for National Statistics said this month that UK unemployment rose by a record 281,000 to 2.38 million in the three months to May. The jobless rate now stands at 7.6 percent and the number of people claiming unemployment benefit increased by 23,800 in June to 1.56 million.

There are now 927,000 part time workers. As competition for available jobs grows, workers take whatever they can get, even if only part time. Firms such as British Airways are asking staff to reduce their hours or take unpaid leave. Fully 12.5 percent of part-time workers are unwillingly working fewer hours.

Still unemployment is rising faster in this recession than at any time since the 1980s, and many economists now predict it will go above three million in 2010.

The following is a round up of job losses, redundancies and plant closures based on the BBC job tracker (<http://news.bbc.co.uk/1/hi/business/8078914.stm>). It is by no means a comprehensive list of every job loss that has occurred, but provides a snapshot from around the UK between June 10 and July 11. Most of these losses receive barely a mention in the media.

Steelmaker Corus has announced a new round of redundancies on top of 2,500 jobs cuts in January. Some 2,000 jobs are now to go at UK plants including Teesside, Scunthorpe and Rotherham.

Also in Teesside, Dow Chemical Company has announced it will close its ethylene oxide and glycol plant and another chemical firm, Croda International Plc, has said it may have to close its facility in Wilton. Up to 200 jobs are affected.

Carmaker Jaguar-Land Rover has warned that further job losses are likely at its plants in the Midlands and Merseyside.

These are just the tip of the iceberg. Every region the length and breadth of the UK, from Jersey in the south to the Hebrides in the north, is affected.

Cornwall, one of the four areas in the UK that qualifies for European Union grants due to its high levels of deprivation, has seen a series of lay-offs announced. These include 60 workers at printing firm Century Litho in Redruth, which went into administration. Also in Redruth the Pall Corporation, which produces specialist filtration equipment for ships, aircraft and the commercial vehicle industry, has cut 14 jobs at its factory.

Forty-nine staff at the machine producers Kemutec, in Par, mid-Cornwall have been made redundant after the firm was placed in administration. In St Columb, Cornwall, more than 80 employees at electronics company Infoteam International were laid off. Night shift workers were told on arrival to gather their property and vacate the premises.

Also in the south of England, silicon chip manufacturer X-Fab in Plymouth is to stop one of its production lines, with the loss of 65 jobs.

In Swindon, electronics firm Plus Semi, has said it intends to make up to 85 redundancies.

Axa PPP Healthcare, based in Kent, has announced it will make a compulsory increase of 7.15 percent in working hours, without extra pay, for senior managers. Other workers are to be reportedly offered the "option" of a similar increase in hours, a 5 percent pay cut or a 50 percent cut in annual bonuses.

Ogier, a leading global offshore law firm, is laying off 17 people at its Jersey law office.

In Wales, compulsory redundancy notices were issued to up to 350 workers at Anglesey Aluminium. Some 200 workers employed at the chemical company Air Products, near Wrexham have been told the plant will close in November. Production is to be transferred to China.

More than 240 jobs are under threat at Premium Aircraft Seating in Torfaen. Hanson Cement in Padeswood also plans to cut 93 jobs following falling orders.

Approximately 279 jobs are to go at a dairy in Bridgend after the UK co-operative, Dairy Farmers of Britain, went into receivership. The collapse of DFB has also led to the loss of nearly 300 jobs at its Blaydon dairy in Tyneside, as well as numerous job losses at 300 farms in the North East and North Yorkshire which supplied DFB.

In south Wales, nearly 170 jobs are at risk with the decision of the Forensic Science Service (FSS) to close a laboratory in the area.

Cuts by Diageo, one of the world's largest alcoholic drinks group, are set to cost hundreds of job losses in Scotland and Ireland.

Up to 900 jobs are threatened in Scotland with the threatened closure of the firm's distillery in Glasgow and packing plant in Kilmarnock. One hundred and seven jobs are under threat in Ireland.

Also in Scotland, clothing company Russell Europe based in Bathgate is to close its distribution plant, with the loss of 60 jobs. The 2 Sisters Food Group is to lay off 95 workers at its processing plant in Angus.

In the Hebrides, the Ministry of Defence is to cut 125 jobs at its missile testing range on Benbecula, which employs one in six local people.

In Ireland, an anticipated 100 people are to be made redundant after the closure of two of Belfast city centre restaurants, Chili's and Maggiano's following the announcement that the owner, Brinker, will close all its UK outlets.

The Irish broadcaster Setanta Sports has gone into administration and its British division is set to lose up to 200 jobs. The firm employed 420 workers in Ireland and the UK. Some 20 staff are to be made redundant at Setanta Ireland in Dublin. In addition, 60 staff at Setanta Sports News—a joint enterprise with Virgin Media, which is produced by ITN—face redundancy.

A further by-product of Setanta's collapse is that technology company MGt in Fife, which has offices in Kirkcaldy and Methil and handled software and billing services for the broadcaster, has started a 30 day consultation on jobs and cost cutting. One hundred out of 1,000 jobs are likely to be affected.

Also in broadcasting, the BBC has announced it is shedding 26 jobs, following internal restructuring.

The financial services sector continues to haemorrhage jobs. Lloyds Banking Group is set to lay-off another 2,100 workers over the next three years, bringing total losses since the start of the year to 7,000. Immediately affected are 242 jobs in the group's offshore banking operations—180 in Jersey, 18 in the Isle of Man, five in Guernsey and the remainder in London.

Yorkshire Bank has said it will cut 122 jobs in Yorkshire and the Midlands, while 188 job losses have been announced at two Merseyside-based savings processing centres run by Barclays Bank.

Local authorities have only just begun to make clear their own rationalisation plans. Already, Oxfordshire County Council says that 500 jobs will go over the next five years as part of its savings drive, while Gloucestershire County Council has announced 200 job losses in the next two years.

Redundancies are being announced thick and fast in higher education.

Queen's University, Belfast is to close its German department and axe 103 jobs. At least 12 jobs are to go at Forth Valley College in Scotland. The University of Wales Lampeter is looking to make 46 staff redundant.

Lecturers at Birmingham College have taken strike action over plans to shed 76 jobs, which will mean almost one-third of teaching staff have been laid off in just over a year. Protests have also been held over plans to cut 25 jobs at Tower Hamlets College, east London and at the University of Leeds, where 100 jobs are to go. Leeds Metropolitan University also intends to shed jobs.

Additional losses announced include:

- 750 jobs at the card chain Birthdays-now in administration.
- 150 staff nationwide employed by Nortel Networks UK—which went into administration in January. None are to receive redundancy pay.
- 150 jobs at a Scunthorpe-based aerosol factory and 55 at a Penrith plasterboard manufacturers.
- 25 at Immingham-based shipping company DFDS Tor Line, following 41 redundancies earlier this year, and 11 dockworkers at Great Yarmouth port.
- Some 100 jobs are threatened at the Vion Food Group Ltd.
- 150 staff employed by German chemical giant BASF in Bradford are also facing redundancy.