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Vacuum cleaner manufacturer Dyson has announced a significant reduction in its UK workforce, with plans to cut more than a quarter of its staff as part of major 'restructuring' plans, despite record sales [1]. In other words, to cut costs and increase profits.

Recognising the growing Asian market and the profits to be made, Dyson's boss Sir James Dyson moved production from the UK to Malaysia, Singapore, China and the Philippines in the early 2000s. More recently, in 2019, the company's headquarters were moved to Singapore to be 'closer to its manufacturing base and supply chains' [1].

Singapore is a well-known tax haven, as capital gains aren't usually taxed. It also has free trade agreements with China and the EU [2][3].

These moves appear to have paid off, as last year Dyson made a profit of £1.4 billion [4] and sales have grown year on year with these changes [5], with more than half of its sales coming from Asian markets [1].

CEO Hanno Kirner said that the newly announced job cuts were designed to ensure that the company was 'prepared for the future' in response to 'increasingly tough and competitive global markets'.

Tremendous 'sympathy' was offered to the redundant workers: 'Decisions which impact close and talented colleagues are always incredibly painful,' and 'Those whose roles are at risk of redundancy as a result of the proposals will be supported through the process'. There was no explanation of how the workers would be supported [1].

The company has said that the UK will remain its main global research centre, but it's already moved much of its product research to Singapore [6].

Contrary to their claim, an employee who was made redundant told the BBC, "everyone involved in R&D have now exited all Dyson buildings" and that "All in stark contrast to James' promise that R&D would remain in the UK after the Singapore headquarters move. We believe this is obviously to cut costs by using our South East Asian counterparts which are cheaper to employ". To which Dyson responded that the claim was "categorically false" [1].

In the modern era of capitalism, i.e., capitalism is dominated by financial monopolies and the direction in which capital flows can only be said to be that which secures the highest possible profits. Labour is an essential component in the creation of all social wealth, but under capitalism, it is turned into a commodity to be bought and sold by those who appropriate most of the social wealth for themselves.

Big companies like Dyson, in their quest for the highest possible profits, will scour every corner of the world for the cheapest and therefore most profitable labour, throwing hundreds of workers into precarious situations, worrying about how they will keep a roof over their heads, food on the table and clothes on their backs. In the process, they also impoverish the local community and put many other interlinked jobs at risk.

Capitalism has proved and continues to prove, totally inadequate to meet the current needs of humanity, instead slowing down and often reversing the latest production techniques in order to maintain profits.

As formulated by Stalin in Economic Problems of the USSR, in stark contrast to the capitalist economy, in a socialist planned economy the basic economic law is:

“the securing of the maximum satisfaction of the constantly rising material and cultural requirements of the whole of society through the continuous expansion and perfection of socialist production on the basis of higher techniques.”

Sources:

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