

Mattel Cuts 2,200 Jobs

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The toy design and manufacturing company Mattel is blaming the liquidation of toy retailer Toys “R” Us for their recent decision to lay off 2,200 employees. These 2,200 jobs represent 22% of the company’s non-manufacturing workforce.

In order to justify the layoffs, the company stated that the decision is driven by the goal of increasing profitability and improving efficiency. Through the Structural Simplification program, the company is on track to save \$650 million over the next two years. For the working class, this means reducing jobs in order to reduce business expenses and increase the intensity of capitalist exploitation.

Although shareholders are slated to benefit from the layoffs, 2,200 employees will lose their jobs. The company is also planning to sell off a manufacturing site in Mexico. The capitalist economic system prioritizes delivering profits to shareholders over the wellbeing of the working class. Producing profit for a small group of oligarchs is the main function of the capitalist system.

As we have repeatedly seen from capitalist corporations, when revenues fall the board of directors responds by laying off workers. There is a direct contradiction between the interests of the capitalist class and the working class.

The liquidation of one capitalist firm, Toys “R” Us, has direct consequences. Mattel manufactures toys which are sold at toy retailers, like Toys “R” Us. The bankruptcy of the latter means less orders for Mattel, which led the board of directors to respond by laying off thousands of workers. The capitalist economic system is organized in such an absurd way that the contagious effects of bad business are borne exclusively by the working class.

<https://news.mattel.com/news/mattel-reports-second-quarter-2018-financial-results>

<https://www.voanews.com/a/us-toymaker-mattel-layoff-2200-worldwide/4500375.html>