

# Ford announces new small-vehicle plant in Mexico

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At the beginning of April, Ford Motor Co. unveiled its plan to invest \$1.6 billion to build a new small-vehicle plant in Mexico. The factory will be built this summer in the north-central state of San Luis Potosí, it will start production in 2018 and will employ 2,800 workers by 2020.

The plan follows a trend pursued by many auto industry corporations to relocate factories in Mexico for the purpose of cutting labor and other costs and maximizing profits. Ford alone has five operating plants in four different states of Mexico (two in Nuevo León, one each in Chihuahua, State of Mexico and Sonora). Last year, it announced investments of \$2.5 billion to build engines and transmissions in Mexico.

Joe Hinrichs, Ford's president for the Americas, outlined the simple logic of profit: "Mexico has more competitive labor costs, supplier costs, good logistics, good support from the government. But importantly also, as part of our global manufacturing footprint, Mexico is a good shipping location to many countries around the world with their trade agreements." In a word, Ford seeks to "improve the profitability of our small-car lineup."

In the last two decades, US automakers have taken full advantage of the North America Free Trade Agreement (NAFTA), passed with bipartisan support during the Clinton presidency in 1994, which on one hand has given impulse to a more integrated process of globalized production throughout the North American continent, while on the other igniting a wage race to the bottom as auto corporations pit workers, from Canada to the US to Mexico, against each other in a competition for ever lower-paying jobs.

Ford's announcement prompted a response from the United Auto Workers, whose President Dennis Williams called Ford's plan "a disappointment and

very troubling," and said the investment takes away "jobs that should have been available right here in the USA."

The corporatist UAW is fully complicit in the destruction of jobs in the US as well as the creation of precarious conditions for autoworkers in Mexico. The union's nationalist and chauvinistic "Made in America" stance is based on decades of collusion with the corporations, as attested by the last 40 years of sellout agreements and concessions.

The UAW constantly invokes the laws of the free market as the decisive factor in the attack on wages and benefits. It has pointed this gun to workers' head every time management demands a concession, threatening them with jobs leaving the country.

Williams' statement is all the more cynical, since he is spearheading a strategy that, on one hand, acquiesces to Ford's intention to move small vehicles to Mexico, while on the other it seeks to convince the corporation to move large vehicles production back to the US, where further wage cuts are guaranteed by the UAW in the name of competitiveness.

It's not a coincidence that the union's reactionary position found an echo in Republican presidential candidate Donald Trump, who called Ford's plan "an absolute disgrace" and vowed "these ridiculous, job crushing transactions will not happen when I am president."

Democratic presidential candidate Bernie Sanders, similarly, attacks trade deals like the Trans-Pacific Partnership because, in his view, they undermine the sovereignty of the US.

During a recent UAW rally he blamed "unfair trade agreements" and "unpatriotic" companies (like Ford) that move production to Mexico, China and other low-wage countries for the destruction of jobs and living

standards in the US.

The aim of this is to divert popular anger over social inequality, unemployment, wage cuts and austerity along reactionary nationalist lines and prevent workers from challenging the capitalist system.

Neither US presidential candidate, nor the UAW, cares anything about workers on both sides of the border. Nationalist politics have already reduced American as well as Mexican workers to a life of misery and increasingly threaten humanity with unending wars.

In the US, under the Obama administration and through the complicity of the UAW, autoworkers' living standards have been reduced to a fraction of what they once were. Similarly, in Mexico the Peña Nieto government is pursuing the imposition of martial law as well as policies of privatization, like in the case of the oil company Pemex, that only serve to intimidate workers into submission and attract international capital with the prospect of extracting handsome profits from the exploitation of a super-exploited working class.

In the last 15 years, Mexico's government has pursued other free trade agreements, now counting a total of 10 deals covering 43 countries, according to the governmental agency ProMexico. "I can export duty-free to North America, South America, Europe and Japan," Thomas Karig, Vice President of Corporate Affairs for Volkswagen of Mexico, stated. "There's not another country in the world where you can do that."

The Mexican auto industry has seen a vast development in recent years. Last year alone, cars and light trucks output reached 3.4 million units, a 5.6 percent increase from 2014. Exports rose 4.4 percent to 2.8 million, two thirds of which were shipped to the US. Domestic new car sales gained 19 percent reaching more than 1.3 million units. Globally, Mexico is the seventh producer in light vehicles and the eighth in car, truck, part and component. This development has only benefited big investors while creating poverty conditions for autoworkers. Labor cost is around \$8 an hour, although workers pocket something closer to 90 pesos, or slightly above \$5. In addition to long, strenuous hours, Mexican autoworkers experience constant taunts from management, including sexual harassment and threats of dismissal. Strikes are difficult

in Mexico, as federal regulations greatly reduce workers' right to strike. Additionally, trade unions like the Confederation of Mexican Workers are known for their corruption and their sweetheart agreements with management, resembling their US counterparts.

As reported by the *Washington Post* last June, workers at a Mazda plant complain of slave-like conditions, emphasizing that their union representative does nothing to defend their rights and that local governments do even less to counter the corporations' oppressive practices. On the contrary, they often attract investors by offering free land, tax breaks and infrastructure.

There can be no way forward for autoworkers in the US, Canada or Mexico outside of an international strategy that starts with the unequivocal rejection of nationalism. Nor can there be any way forward for North American autoworkers without reaching out to their brothers and sisters in Europe, Asia, South America and Australia to wage a common struggle against the globally organized corporations and the trade unions that seek to promote the corporatist model of "labor-management partnership."



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