# Ford announces plans for more layoffs amid new restructuring efforts

**Marcus Day**
**9 October 2018**

Ford Motor Company announced plans for further cost-cutting measures last Thursday, including the layoff of an as yet undisclosed number of salaried employees by the second quarter of 2019. Ford employs over 200,000 globally, of which approximately 70,000 are salaried positions.

"Over time, we'll have fewer layers, ultimately less people," said Mark Truby, vice president of global communications. "The goal is to streamline the organization. It's a cascading process. It will mean a reduction in workforce."

Ford already cut 1,400 salaried positions in 2017 via early retirement incentives and buyouts. Several thousand more jobs will likely be eliminated, according to company spokesperson Karen Hampton.

The reductions will reportedly come as part of the $11 billion in global restructuring costs announced earlier this summer. That package is in addition to $25.5 billion in cuts to operational costs the company is planning. Ford, following a similar move by Fiat Chrysler, also announced this spring that it would cease nearly all production and sales of passenger sedans in the US. For its part, General Motors has laid off thousands of workers over the last year, cut multiple shifts at its Lordstown, Ohio, assembly plant, and is reportedly considering shutting down one or more of its car assembly plants altogether.

The media has previously speculated that Ford may target its money-losing European and South American operations for layoffs and plant closures. The company has reportedly considered either selling sections of its overseas businesses or forming "partnerships" with competitors such as Volkswagen. Such an eventuality echoes the ultimately unsuccessful attempts by late Fiat Chrysler CEO Sergio Marchionne to engineer a merger between his company and another automaker, and would herald a new wave of mass layoffs and attacks on workers' living standards.

While Ford's latest announcement of layoffs refers as yet to just salaried positions, hourly workers—who have suffered decades of wage cuts, plant closures, and the erosion of working conditions at the hands of both the company and the United Auto Workers union—will inevitably also find their jobs on the chopping block. Suppressing workers' opposition to a litany of concessionary contracts, the UAW has facilitated the Detroit Three's efforts to increase "labor flexibility" through the massive expansion of temporary part-time (TPT) positions, which lack any job protections.

In a sign of further things to come, Ford announced last week the planned idling of the part of its Kansas City Assembly Plant that produces the Transit commercial van in order to reduce inventory. Roughly 2,000 workers are to be laid off for two weeks, from October 22 to November 4.

"Plants that make cars have been slowing and cutting production for some time, and we would expect they will continue to slow," said Michelle Krebs, an industry analyst at Autotrader. Ivan Drury, analyst at Edmunds, commented, "A slowdown in commercial units like the Transit could be a sign of larger issues, not just for Ford, but other automakers and the economy at large."

The ongoing restructuring and relentless attacks on Ford's workforce are being carried out under the whip of finance capital, which is demanding increased profit margins. Wall Street has ever more insistently been pressing the company to reduce costs, shed unprofitable operations, and wring even more out of workers. In August, Moody's Investment Services lowered Ford's rating to just above junk status, and the company's stock price has fallen over 25 percent over the course of this year.

In response to its declining share value, Ford dumped CEO Mark Fields last summer, elevating in his stead Jim Hackett, who previously oversaw the company's autonomous vehicle initiative. Hackett had cut his teeth reorganizing office furniture maker Steelcase, slashing salaries and laying off over 12,000 during his tenure.

While Hackett has ramped up Ford's restructuring, the corporate press and financial analysts have repeatedly taken him to task for not providing enough detail into the company's plans to cut costs, and are pushing him to accelerate the timetable for reorganization. "We'd like him to be crisper in going from high-level statements into the actionable plans they are going to carry out," said Brian Johnson from Barclays Capital.

Ford has continued to reap immense profits in recent years, with a net income of $7.6 billion in 2017. Nevertheless, the auto industry as a whole is facing a number of economic pressures, including increased commodity costs, exacerbated by the Trump administration's steel and aluminum tariffs, and the substantial capital investments which will be required to develop electric and autonomous vehicles.

However, looming more significantly behind Ford's latest announcements are concerns over two interrelated processes: signs pointing to the threat of a renewed outbreak of financial crisis, and the growing mood of militancy among autoworkers, particularly in the run-up to the 2019 contract negotiations between the Detroit Three and the UAW.

Moreover, the UAW has been staggered by a cascade of revelations relating to the bribery of top officials. This is fueling fears in the ruling class that the union will prove unable to prevent workers' simmering anger and frustration from erupting into an open rebellion.

The UAW, which has presided over the destruction of hundreds of thousands of jobs over the course of the past several decades, has met the announcement of pending job cuts with predictable silence. And nothing more can be expected given the record of the UAW in collaborating with the automakers in an endless series of concessionary contracts.

The mounting threat to jobs makes it more urgent that workers draw the necessary conclusions from the record of the UAW. In order to conduct a genuine fight to defend jobs and secure a decent standard of living, autoworkers must organize themselves independently of the UAW, forming rank-and-file factory committees, and link up with the millions of other workers—in the US and internationally—to launch a common struggle to reorganize society to meet workers' needs instead of the private profit interests of the few.