Ford slashing 7,000 white collar jobs

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In a scene played out just a few months ago at General Motors, hundreds of engineers, managers, technicians and other white-collar workers at Ford will lose their jobs this week as part of Ford's plan to cut 7,000 salaried workers, ten percent of its global white-collar workforce, by August.

The job cuts are part of a restructuring of the global auto industry. Over the last six months, job cuts have been announced by GM (14,000), Volkswagen (7,000), Jaguar Land Rover (4,500), and Tesla (3,000). This is driven by Wall Street and other global investors who are pushing carmakers to cut costs and increase profit margins as sales fall in the major North American, Chinese and European markets, trade tensions sharpen, and signs continue to mount of a new global recession.

The job cuts further expose the lies about a "booming economy" peddled by the Trump administration and echoed by the Democrats. While the stock market, corporate profits and CEO pay continue to rise, millions of workers live in a state of perpetual economic insecurity.

Workers leaving Ford's World Headquarters in Dearborn, Michigan, Monday afternoon told *World Socialist Web Site* reporters that there would be meetings this week where human resource managers would inform employees whether they had a job or not. The cuts have been hanging over the heads of workers for seven months, ever since Ford CEO Jim Hackett announced the company's $11 billion global cost-cutting campaign, euphemistically dubbed "Smart Redesign."

According to the *Detroit Free Press*, "Ford employees packed boxes with their belongings on Friday and headed home for the weekend, not knowing what would happen Monday as word spread to prepare for what employees predict will be 'Armageddon' in Dearborn."

"A lot of people are going to be leaving Ford," one manager told the newspaper. "It may well be in the hundreds, if not thousands. I don't know if I'll have a job past Tuesday." Another said, "The cuts appear to heavily be a cost cutting measure against future pension level costs."

In an internal email, obtained by the WSWS, Hackett said, "notifications to employees in North America affected by wave four of Smart Redesign will begin [Tuesday]," and the "majority will be completed by May 24." He added that "restructuring work continues in Europe, China, South America," and "we expect to complete the process in those markets by the end of August."

In April, Ford said it would cut 5,000 jobs in Germany. It is also ending production at a transmission plant in Blanquefort, France, near Bordeaux, closing three factories in Russia, and shuttering its oldest factory in Brazil as part of the company's exit from the commercial truck business in South America. Ford also laid off 2,000 workers at its joint venture in Chongqing, China, after sales in the country fell by 40 percent.

According to Ford spokesmen, 500 salaried workers in the US will be involuntarily laid off this week and a total of 800 by June. With the 1,500 US employees the company claims have already accepted so-called voluntary buyouts, the total number of white-collar Ford workers forced out of their jobs in the US has reached 2,300.

The exact number of global job cuts could likely be much higher than the 7,000 announced in Hackett's letter. Estimates by industry analysts have suggested that layoffs, buyouts and retirements of Ford employees and contractors could reach 25,000 globally, far more than the job cuts announced by GM late last year.

In a gesture of corporate magnanimity, Hackett—who made $17.7 million last year, 276 times the median compensation of a Ford worker—assured "team members" that Ford had moved away from past practices of forcing fired workers to leave company property "immediately." Instead, the company would give them "the choice to stay for a few days to wrap up and say good-bye."

Wall Street investors, who have long been punishing Ford's stock prices, have bid it up by 34 percent since the company began its jobs bloodletting. Ford intends to

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double its profit margin in order to boost stock buybacks and dividend payouts, the latter of which rose to $2.3 billion last year.

In March, Ford announced it was hiring as its new chief financial officer Tim Stone, the former vice president of finance for Amazon who led the $14 billion acquisition of Whole Foods. Stone, who takes over as Ford CFO on June 15, brings his expertise from a company that has perfected the exploitation of its workers, electronically monitoring their every move and measuring their restroom time, in a manner that would put Henry Ford's time-motion study experts to shame.

Announcing the company's first-quarter profits last month, Hackett told investors that the results were proof that his push to cut costs and improve profitability around the globe is working. "We have a solid plan to create value in the near term and the long term," Hackett said. "The results clearly demonstrate the benefit of our fitness actions. There's more to come."

Despite one-time downsizing charges, Ford made $1.1 billion in first quarter profits. In North America, it made $2.2 billion in profits, up 14 percent from 2018, and its profit margin rose to 8.7 percent from 7.8 percent. Hackett has called 2019 the "year of action." Like GM, Ford management plans to use the threat of mass layoffs in this summer's contract negotiations to demand sweeping concessions, particularly in healthcare benefits, from Ford's nearly 60,000 hourly workers in the US.

The carmakers have relied on decades of collusion with the United Auto Workers to slash hundreds of thousands of jobs, halve the wages of new hires and vastly expand the number of disposable part-time temporary workers. Predictably, the UAW has nothing to say in response to Ford's job-cutting plan because the union supports it.

There is a growing sense, however, that blue-collar and white-collar autoworkers have to unite to fight layoffs and a realization that such a fight must be organized by workers themselves, independently of the UAW.

A comment posted by a salaried Ford worker on the web site thelayoff.com expressed this determination and more broadly the growing anti-capitalist sentiments gripping ever-wider sections of workers.

"Ford is no longer an automotive or a mobility company. It's a profit company. Its sole focus is to deliver good quarterly results and returns to shareholders. And this problem is not at all restricted to Ford. We are at a point in our economy where the only focus is on profit margins and returns. Any loyalty large companies may have had to their employees in the past is nonexistent."

The worker said he was "absolutely NOT advocating for something like the UAW, which has evolved to have its own hierarchy and has been repeatedly found to be conspiring with the auto companies themselves at the expense of the hourly workers. The UAW is corrupt and is a bad example of what collective representation should be.

"Separately and individually we have no leverage against the company. But if we were able to collectively say stop it with the layoffs or we will all walk off the job, we would have power over the company. We've seen this pattern repeat itself enough times in the past that even after this round of cuts is over, it's likely that we'll just be facing them again a few years from now. The only way we can do anything to stop this cycle is to band together."

Pointing to the broader issues, he concluded, "Inequality has been skyrocketing in this country for decades, and I only ask everyone to recognize that the threats we face as the working class are only going to grow from here on. But as the workers that actually make this company run day to day, we need to find a way to band together to ensure our future job security."

Indeed, the relentless assault on jobs poses the need to build new organizations of struggle, including factory and workplace committees that are democratically controlled and will not bow to Wall Street's dictates. But the task of unifying autoworkers and other sections of workers coming into struggle, like teachers, hospital, Amazon and other workers, must be combined with the fight for a new political perspective and strategy.

The fight for the social right to a good-paying and secure job for all workers requires an irreconcilable opposition to the nationalism promoted by Trump, the Democrats and the unions and the fight to unite the working class in the US and around the world on the basis of a socialist program. This includes the transformation of the other auto giants into publicly owned utilities run on the basis of human need, not private profit.

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