Jaguar Land Rover announces 500 job cuts at Halewood in northwest England

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The UK's largest car manufacturer, Jaguar Land Rover (JLR), is pressing ahead with restructuring, announcing that 500 jobs (over 10 percent) will be cut at its plant in Halewood on Merseyside in north-west England

The Halewood site employs 4,000 workers on contract and 1,000 agency staff, building the Range Rover Evoque and Land Rover Discovery Sport models.

JLR, owned by Indian conglomerate Tata, employs 44,000 in Halewood, Solihull, Castle Bromwich and Wolverhampton. Outside the UK it employs 53,000 workers, in India, Ireland, Austria, Slovakia, Brazil, China and the United States.

By April, the three-shift system at Halewood will be replaced by two, eliminating the night shift and further diminishing the number of decent paying jobs left in the UK's manufacturing sector—shrunk to 10 percent of the economy. Currently, employees work an early, late or night shift. The new "two-plus" pattern will comprise early and late shifts, with spare capacity to increase production when necessary.

Last year, JLR announced plans to eliminate 4,500 jobs in the UK, in a £2.5 billion cost cutting exercise to offset sales which had fallen by 6 percent. Sales to China fell 50 percent, due to the slowdown in the world economy amid growing trade tensions between China and the US.

In 2018, 1,000 jobs at JLR's flagship plant in Solihull were shed while working hours were reduced at other sites due to falling demand for its diesel vehicles and more expensive sedans. Costs were reduced further when the company opened a plant in Slovakia employing 1,500 workers on lower wages.

JLR was able to report a turnaround, with pre-tax profits at £156 million for the three months to September, compared with a loss of £395 million the previous quarter, and a £90 million loss in the same period the previous year.

Like all car manufacturers globally, JLR faces increasing competition to maintain market share as the world economy teeters on recession, with falling sales and intensifying trade war spearheaded by the US.

There is anxiety and speculation concerning the kind of trade deal, if any, that Prime Minister Boris Johnson may sign with the EU by the end of this year—now that Britain has departed the EU—and the disruption it will cause to businesses.

Conservative Chancellor Sajid Javid suggested recently that companies that wish to sell vehicles in the UK will need a separate certificate, making it more costly to supply the British market.

Professor David Bailey commented on the news site BusinessLive: "The firm [JLR] as a whole has faced … a perfect storm in terms of declining sales in China (as the world's largest car market contracted after 20 years of breakneck growth), a massive shift away from diesels across Europe in the wake of the VW Dieselgate scandal, and Brexit uncertainty slowing the UK market and investment." He added: "The fact that there are job cuts around two attractive models shows the scale of challenge that the firm faces."

An automotive expert at Manchester Business School, Professor Karel Williams, questioned JLR's commitment to the UK following Brexit. "It is getting much harder to sell JLR 4X4s [Range Rover Evoque and Land Rover Discovery models] against intensifying competition and the company will need to … expand its … new factory in Slovakia which offers lower wages and the Euro currency inside the European Union," he said.

Though JLR denied Brexit was a factor in its decision to retrench at Halewood, Professor Williams predicted, "JLR's R&D [research and development] will stay in the UK but it is increasingly attractive to assemble their vehicles inside the markets where they are sold."

Prior to Johnson reaching a deal with the EU over the terms of Brexit, car manufacturers—who favoured remaining in the EU—feared that billions would be added to the cost of importing and exporting, and the supply chain dependent on frictionless movement at the borders in order to maintain just-in-time production would suffer disruption. The Society of Motor Manufacturers and Traders (SMMT) Chief Executive,

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Mike Hawes, warned, “A ‘no deal’ Brexit would have an immediate and devastating impact on the industry, undermining competitiveness and causing irreversible and severe damage.”

The SMMT is urging “a future trade agreement with the EU that affords the automotive industry the benefits currently enjoyed as members of the Single Market.”

To illustrate how integrated the UK car industry is with the EU, the SMMT points out that 10 percent of the UK workforce involved in car manufacture hail from countries in the EU. And in a single day, 11,000 EU trucks deliver just in time car and engine components worth £35 million to UK car plants.

While UK car companies export more than half their cars to the EU, two thirds of cars imported are built in the EU.

Speaking as would a car manufacturing CEO, Unite trade union national officer Des Quinn echoed fears of the UK abandoning EU regulations, saying, “Until the government ensures that there is long-term frictionless trade and no tariffs with the EU along with meaningful investment in the infrastructure to ensure the success of electric vehicles, the UK’s car industry will continue to experience severe challenges.”

The response of Unite to JLR’s announcement was standard for the unions in the face of attacks on jobs and conditions—to avoid any attempt to mobilise its 100,000 members in the car industry in an effective fight. Instead, they are pledged to ensuring redundancies are implemented smoothly.

Quinn said, “This a further blow to the UK car industry and to our members.… Unite will be ensuring that the commitment to limit job losses to voluntary redundancies is fully honoured.” The company and Unite will begin the job losses process from early this month after JLR called for workers to apply for redundancy.

JLR will continue to have reliable partners in Unite, with Quinn hailing the changed shift pattern “that will deliver flexibility efficiencies that longer term should benefit both employees and the company.”

The New Year began with layoffs in the car industry internationally as it undergoes massive restructuring. In the US, General Motors (GM) laid off 240 workers at a plant in Indiana. Ford Motor Company has plans to temporarily lay off 270 employees at its stamping plant in Chicago Heights. The previous year, the US-based Ford Motor Company announced that five plants would close across Europe. Tens of thousands of redundancies were announced in the German car industry.

For years, auto giants like GM and Ford have been working to transform their workforce into part-time, temporary, “gig” employees having no job security, low pay, and few benefits—to maximise profits and gain the competitive edge over their rivals.

The car industry globally faces further challenges—and workers an intensified onslaught of jobs and conditions—as it moves from internal combustion engines to electro-mobility.

Chief CEO at Volkswagen in Germany, Herbert Diess, outlined his aims to transform the company through the application of digital technology, emulating California-based electric car manufacturer Tesla, with its soaring share prices. This would involve thousands of redundancies as well as massive investment— deducted not from profits but the wages and conditions of the working class.

There is a growing resurgence of working-class struggles throughout the world, including by car workers, against attacks on living conditions as social inequality soars. Workers have repeatedly shown their willingness to fight, voting overwhelmingly for strike action, which is either ignored by the unions and suppressed or quickly shut down.

In November 2018, an entire shift of car workers at the UK Vauxhall car plant at Ellesmere Port near Liverpool, a few miles from JLR at Halewood, walked out after hearing that 241 jobs were going. Vauxhall is owned by French company PSA, which also owns Peugeot and Citroen.

There is a growing awareness that the interests of workers, regardless of which country they work in, can be furthered only by an international struggle against the global corporations in rebellion against the unions. Five Mexican workers at GM’s Silao Complex were recently fired when a section refused to increase production in solidarity with 47,000 US autoworkers on strike across the border.

JLR workers must turn to the building of new rank and file organizations independent of the unions in order to take their struggle forward. The WSWS invites car workers to sign up for the *Autoworker Newsletter* and join the fight for a united international offensive of autoworkers.

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