

As other mid-Michigan corporations carry out layoffs

Dow Chemical announces plan to cut six percent of its global workforce

Luke Galvin
30 July 2020

On Friday Dow Chemical Company announced that it plans to cut six percent of its global workforce. The Midland, Michigan-based company cited lower sales caused by the COVID-19 pandemic as the main reason for what is expected to be at least 2,100 layoffs. The announcement comes on the heels of the historic flooding in late May, which devastated much of the Midland area that now faces the prospect of further financial and social downturn.

Two other mid-Michigan corporations, Hemlock Semiconductor and auto parts supplier Nexteer Automotive, also announced job cuts during the last two weeks of June. Both multi-billion-dollar corporations also cited economic pressures stemming from the pandemic as their reason for making the “hard decision” of cutting jobs.

Hemlock Semiconductor, one of the largest employers in neighboring Saginaw County, laid off 50 out of its total 660 employees. Nexteer, also one of Saginaw County’s largest employers with 5,000 auto workers at its Buena Vista Township factory alone, did not disclose how many of its 13,000 workers it laid off, or will lay off.

The latest round of layoffs at Dow further exposes the long-going exploitative and controlling nature of the company’s relationship with the Midland region. Based in mid-Michigan for over a century, the company has a portfolio of insidious partnerships with the US military and is a notorious polluter, causing countless ecological disasters in the region. Yet the city and region around Midland have grown up around the structure of Dow, making it not only the primary employer of Midland but its social and economic lifeline. The city governance in turn accepts every environmental crime

or announcement of layoffs without protest.

The current layoffs also come four years after Dow Chemical laid off 2,500 workers, 700 in Midland alone, a blow that sent shock waves through the community of approximately 41,000. The 2016 layoffs took place during the Dow Chemical acquisition of Dow Corning and its merger with DuPont, which for its part laid off ten percent of its workforce at the time.

In addition to the layoffs, Dow often uses its position to side-step pollution regulations, largely avoiding significant repercussions caused by its persistent poisoning of the regional environment. The company faces lawsuits on a yearly basis for destroying the regional environment with contaminants, and particularly for its dumping of the dangerous and highly toxic chemical dioxin into the local waterways. Just nine months ago, the company had to pay out \$77 million to compensate for injuries to natural resources caused by the release of hazardous substances from Dow’s Midland facility. However, such instances of limited payouts are often the exception, while most get bottled up by Dow’s legal resources.

The job cuts will also undoubtedly compound the difficulties stemming from the historic flooding that took place in May in Midland County—a result of a chain of dam failures starting with the privately-owned Edenville dam, which had not passed proper safety standards for decades by the time of its collapse.

Floodwaters destroyed virtually all of nearby Sanford Village, leaving residents and small business owners devastated and homeless. Many residents reported that they did not have flood insurance and were left in financial ruin, with no assistance from state or federal governments.

The city of Midland itself was also flooded, destroying dozens of homes, businesses, and public property. With well over \$200 million in damages to infrastructure and homes in the region, the layoffs may be a death knell to the hardest-hit areas. To date, the only palpable assistance given to residents has taken the form of paltry relief from the federal government distributed through FEMA, notoriously known for its cover-up role in disasters like Katrina.

For its part, the flooding also likely compounded the existing environmental dangers in the region. Dow's sprawling industrial complex is located along the Tittabawassee River, which swelled dramatically during the floods and breached the company's containment ponds. As the WSWS reported in June, these containment ponds are Dow's chemical runoff collections that might hold any number of chemicals that flowed from the grounds of the complex when it rains. While Dow has claimed that nothing dangerous was in the ponds at the time of the flooding, state and local officials have mostly left Dow to its own devices, increasing the likelihood that the real extent of the danger will not be reported.

The other layoffs in the region will also undoubtedly compound the social and economic difficulties for mid-Michigan.

Hemlock Semiconductor, located in Hemlock just south of Midland, announced that its 50 layoffs were a product of the US-China "tariff wars," with Chinese tariffs on US polysilicon exports effectively blocking the company from the Chinese market. These tariffs are a product of the Trump administration's trade war against China which could provoke a full-scale military conflict between nuclear powers. Workers in both countries will face the brunt of these destructive provocations.

The situation for the highly exploited Nexteer Automotive workers at the nearby Saginaw area plant could also be disastrous, particularly as they have suffered under the homicidal "back-to-work" policy promoted by the American ruling class and its international counterparts. At least two Nexteer workers tested positive for COVID-19 at the Saginaw plant in late March, before the plant was shut down.

Since May, autoworkers in general have been forced back into their workplaces under dangerous and even deadly conditions, at risk of contracting COVID-19 for

the sake of corporate profit.

At Nexteer, workers were among the first to be caught up in this drive, along with other auto parts workers, being forced back to work amid increased risk of contracting the coronavirus.

In addition the Nexteer workers were already subjected to a rotten contract sellout in 2015, rammed through by the UAW against broad opposition, which lowered wages and made it easier to victimize workers. The implications of large-scale layoffs in the Saginaw and Midland area will undoubtedly compound an increasingly intolerable situation.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact