

# GM announces new investments in electric vehicles as job cuts loom

Jessica Goldstein  
23 October 2020

General Motors earlier this week announced a \$2 billion investment plan to build electric vehicles (EVs) at its US plants, as the number-one US automaker vies for a position in the highly competitive and potentially lucrative EV market. The announcement, which Bloomberg reported would not result in any new jobs, led to an increase in GM's share prices by 5.8 percent to an eight-month high of \$35.28.

The announcement is part of GM's plan to build 20 electric models worldwide by 2023. GM will build the Cadillac Lyriq crossover at its Spring Hill plant in Tennessee, which is being retrofitted as GM's third EV plant. GM's first all-electric SUV will go on sale first in China and then in the US in 2022.

GM is also retooling the Detroit-Hamtramck assembly plant for EV production after originally targeting the factory for closure. The plant, which has been redubbed "Factory Zero" (for GM's advertising campaign of "zero crashes, zero emissions, and zero congestion"), will build several EVs, including a military-style Hummer pickup truck, with a starting price of \$112,000. In February, the automaker unveiled a \$2.2 billion investment to retool the Detroit-Hamtramck plant for EV production.

A new Chevrolet electric vehicle will be added to the Orion Assembly, north of Detroit, which already produces the Chevrolet Bolt EV model.

Crosstown rival Dearborn-based Ford is also heavily investing in EVs. It plans to produce an electric version of its highly profitable F-150 pickup truck at its Dearborn Truck Assembly Plant by 2021 and a new line of electric SUVs, including the Mustang-styled Mach-E. Ford also plans to produce an electric version of its full-size Transit van, a luxury Lincoln crossover, and two new midsize electric crossovers.

The EV market is currently dominated by California-based Tesla, which also plans to produce a series of pickup trucks by spring of 2021. The corporation announced plans to build a new "Gigafactory" in Austin, Texas, to produce the vehicles, taking advantage of lower corporate taxes and regulations. The company currently has 60 percent of the US

EV market and 20 percent in China.

The Detroit-based carmakers are under enormous pressure from Wall Street to increase their share in the global EV market, which was around 2 million vehicles in 2019 (3 percent of total sales) but is expected to reach as high as 8-10 million by 2025. Virtually all the major global companies are also in the mix, including Japan-based Nissan, Toyota and Mitsubishi; Germany's Volkswagen and Daimler; and South Korea's Hyundai.

Automakers worldwide are speeding up production of both traditional internal combustion engine (ICE) vehicles and EVs to meet a relative upturn in demand, as governments worldwide have relaxed lockdowns and moved to open up all businesses and schools. Due to the pandemic, global auto sales are expected to plummet 22 percent in 2020, to 70.3 million, with the US projected to lead the global decline with a 26.6 percent fall in domestic vehicle sales. The projected US sales of 12.5 million would be the lowest since 2010, the year the industry emerged from the Great Recession and the bankruptcies of GM and Chrysler.

The fall in sales and the competition to corner the electric market are leading to a new wave of consolidations and mergers. In September, GM announced a deal to merge some operations in North America with Japanese carmaker Honda to focus on sharing design teams and manufacturing technology to streamline the production of both electric-powered and combustion engine vehicles. Ford is pursuing similar plans with VW. Fiat Chrysler is in the midst of a merger with the French automaker Groupe PSA.

Faced with the high capital requirements for developing EVs and other new technologies, and with debt burdens across the automakers having ballooned in response to the crisis, the auto giants are attempting to increase the exploitation of workers. This includes a sharp attack on jobs. The production of all-electric vehicles requires fewer parts and fewer workers, with an all-electric vehicle reducing labor from 6.2 man-hours per vehicle to 3.7 man-hours.

Predictably, the United Auto Workers union (UAW) hailed GM. "The future unveiled by General Motors today is a

commitment to UAW members' future work based on their skill, sweat and craftsmanship," Terry Dittes, UAW vice president and director of the union's GM department, said in a statement.

In fact, the UAW is colluding in the destruction of jobs and conditions for workers. Central to this was the UAW's betrayal of the 40-day strike by 48,000 GM workers in October 2019. The UAW contract accepted the closure of four plants in the US and Canada, including the historic assembly plant in Lordstown, Ohio. GM then sold the Lordstown plant to a startup, Lordstown Motors, which at the time planned to utilize the factory to build electric trucks. A new battery plant next door, jointly operated with Korea-based LG, will only employ 1,100 workers, about a quarter of the more than 4,000 who once worked at the Lordstown plant. They will work under a separate UAW contract with poverty-level wages of only \$15-\$17 per hour.

During the 2019 GM strike, the *WSWS Autoworker Newsletter* fought for workers to establish rank-and-file committees, independent of the corrupt UAW, to expand the strike throughout the North American auto industry and beyond. We warned that Wall Street and the auto industry planned to impose the conditions that prevail at tech giants like Tesla, Amazon and Google.

"The 'Amazonization' of the global auto industry," the *WSWS* wrote, "means future workers will be nothing but low-paid contract workers or 'perma-temps' who can be hired and fired at will, depending on which way the economic winds blow."

This process has only been escalated by the unprecedented economic crisis and the collusion of the UAW and the auto companies in forcing workers to increase output while concealing the outbreak of COVID-19 infections. The Detroit automakers and parts suppliers have been having trouble staffing plants with enough workers due to safety concerns over the deadly pandemic and the need to look after children staying home from school.

In response, the UAW is sanctioning a great expansion of temps. A recent report in Reuters said absenteeism "has led the United Auto Workers to give the Detroit automakers more latitude on using temporary workers to cover for absent full-time employees, union President Rory Gamble told Reuters." The report also noted that "overtime at auto parts plants jumped to higher levels than before the outbreak, averaging 4.3 hours a week in August, up from 3.8 hours in January and February."

The UAW has literally become a cheap labor contractor. On Thursday, the UAW Local 12 in Toledo, Ohio, co-sponsored a jobs fair with county officials to hire more workers for Dana, Faurecia and other parts plants that supply the local Toledo Jeep Complex.

GM's multibillion-dollar investment announcement occurs at the same time as the nominal safety measures against COVID-19 touted by both the UAW and the company have been tossed aside, with workers kept in the dark about the ongoing spread of the pandemic throughout their factories and workplaces.

In March, autoworkers at a number of plants, first in Italy and France, then in Canada, the US and Mexico, rebelled against the lack of protections against the coronavirus and the collusion of the unions. Job actions in Michigan, Indiana and Ohio forced the shutdown of the North America auto industry through a wave of wildcat strikes carried out in defiance of the UAW. Afterward, workers formed rank-and-file safety committees, independent of the UAW, to expand the struggle, expose outbreaks in the plants and enforce health and safety in the plants.

The fight to protect the lives of workers and their families is now coming together with the fight to defend jobs as the global auto companies accelerate their restructuring plans. The great advances in technology, which under capitalism are used to slash jobs and increase the exploitation of workers for corporate profit, must be used instead to shorten the workday and workweek and guarantee a high living standard and safe working conditions for all workers. This can only be accomplished by transforming the global auto companies into publicly owned enterprises, under the collective ownership and democratic control of the working class.

We encourage workers to join this fight and to send us information on workplace conditions. Contact us at [autoworkers@wsws.org](mailto:autoworkers@wsws.org).



To contact the *WSWS* and the  
Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**