

# Ford shuts down operations in Brazil, destroying tens of thousands of jobs

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Ford announced on January 11 that it will end its production of cars in Brazil, shutting down its three plants in the cities of Camaçari, in the state Bahia; Taubaté, in the state of São Paulo; and Horizonte, in the state of Ceará. According to Ford, 5,000 workers will be laid off in Brazil. But tens of thousands more jobs are directly associated with its production chain, and a wave of dismissals is expected.

In a statement to its Brazilian customers, Ford declared: "As you know, the global automotive industry is undergoing a transformation process driven by new and emerging technologies in connected services, electrification and autonomous vehicles, with consumer demands and regulatory items reshaping the market."

This restructuring of production is, in other words, a massive destruction of jobs and wage cuts globally being enacted by Ford and the entire auto industry. The latest wave of job and cost cuts began several years ago, escalating in 2018 and 2019 with a major downturn in the auto industry already then on the horizon.

In 2018, Ford announced a worldwide restructuring aimed at a multibillion-dollar reduction in costs. "The goal is to streamline the organization. It's a cascading process. It will mean a reduction in workforce," explained Mark Truby, the company's vice president of global communications. The following year, the company fired 7,000 white-collar workers and laid off 12,000 workers as it closed five European plants.

In Brazil, Ford closed one of its main facilities, a truck factory in São Bernardo do Campo, in the São Paulo metropolitan area, in October 2019. On that occasion, 3,000 direct employees and 1,500 outsourced workers were laid off, not to mention the approximately 20,000 workers at the related auto parts plants.

The slashing of jobs being promoted now by Ford follows thousands of other layoffs in Brazil's auto industry that occurred last year.

Last December, Mercedes-Benz announced that it would shut down its car production in Brazil, firing the 370 workers at its luxury vehicle plant. Renault-Nissan slashed more than 1,000 jobs in 2020, and Volkswagen announced that it would cut one third of its workforce, having opened on Monday a voluntary layoff program for this purpose.

Ford's announcement of the closure of its plants was answered by workers with protests. On Tuesday, contract and outsourced workers from the Ford Northeast Industrial Complex in Camaçari demonstrated at the factory gates demanding to keep their jobs. A new protest was held the next day in front of the Legislative Assembly of Bahia (Alba), where representatives of the Camaçari Metalworkers Union met with Alba President Nelson Leal.

In Taubaté, where Ford produces engines and transmissions, a demonstration was held on Tuesday. Workers voted to set a vigil to block both people and materials from entering and exiting the factory for an indefinite period.

The unions are, in turn, already preparing a betrayal of the workers' resistance to job cuts and the closure of plants.

The Camaçari Metalworkers Union, linked to the CTB union federation and the Maoist Communist Party of Brazil (PCdoB), already takes Ford's closures for granted. According to the president of the union and PCdoB activist, Júlio Bonfim: "[The] way out so that thousands of workers don't lose their jobs ... [is] the construction of an auto parts industrial park ... or either the arrival of another automaker [that] can guarantee jobs, investments and, consequently, the intense flow in the economy of the Metropolitan Region [of Salvador]."

This corporatist vision is the same advocated by the governor of Bahia, Rui Costa of the Workers Party (PT), whom Bonfim is joining in a "working group," which,

according to the union itself, “is looking for companies interested in investing in the industrial park where Ford Camaçari’s headquarters used to be, considered the largest automotive plant in South America.”

The Metalworkers Union of Taubaté and Region (Sindmetau), linked to the CUT union federation and the PT, is working to divert the Ford workers’ struggle through empty demands to the state. To fulfill these treacherous purposes, the main leaders of the CUT, including the CUT’s president, Sérgio Nobre, were mobilized to participate in a meeting held Wednesday on Sindmetau.

The main measure adopted at this meeting was “the holding of a public hearing in the Legislative Assembly of São Paulo,” advocated by PT state congressman Teonilio Barba, who declared that “the intention is to seek greater involvement of the state government.” The CUT’s president also declared: “All pressure is needed at this time. The country is deindustrializing because the government is encouraging deindustrialization.”

The unions and parties like the PT and PCdoB, as they work to divert workers’ opposition into safe channels within the bourgeois state, seek to establish an opposition to the administration of Brazil’s fascist President Jair Bolsonaro’s that is based on the reactionary interests of Brazilian national capitalism.

Speaking to his supporters outside the government palace on Tuesday, Bolsonaro said, “I’m sorry for 5,000 jobs lost,” but “Ford has failed to tell the truth.” According to him, “They want subsidies.” “Do you want to keep giving them 20 billion [reais], as you have done in recent years?” he said in reference to the incentives paid by the Brazilian government to Ford since 1999 (equivalent to US\$ 3.85 billion).

In response to Bolsonaro, the president of the National Association of Motor Vehicle Manufacturers (Anfavea), Luiz Carlos Moraes, declared that these subsidies would have functioned as “a way to correct the distortions of the Brazilian tax system,” according to *O Globo*. “We have been pointing for years to measures that need to be taken to improve competitiveness in Brazil,” said Moraes. This consists mainly of a pro-capitalist tax reform.

Anfavea’s arguments are not in any way different from those of unions and bourgeois nationalist parties like the PT and PCdoB. The CUT and other union federations for years have advanced as their fundamental program the creation of tax incentives for companies, especially in the auto industry. They criticize the governments that succeeded the PT in power for not having an “auto

program” to stimulate competitiveness for production in Brazil.

Defending the same perspective as Anfavea, of reducing taxes to the capitalists, the PT’s Governor Rui Costa declared in a note on Ford’s closure: “Unfortunately, there are hundreds of industries that are closing, week after week, since we have a country that does not take care of its economy, does not guarantee institutional security to its investors and does not make the necessary reforms—including the tax [reform] that we need so badly.”

While fighting for the competitiveness of Brazilian capitalism, the unions are employing against Ford workers today the same methods they used to suppress resistance to the closing of the São Bernardo do Campo plant in 2019.

On that occasion, the ABC Metalworkers Union, also linked to the CUT, did everything to wear out a 42-day strike, isolating the workers locally and preventing independent actions. It ended up signing an agreement that accepted the closing of the plant. The union then acted in practice as the representative of a business group interested in buying the plant, negotiating bank loans for the group and offering low wages to attract its investments. Despite this, the negotiations failed.

Ford workers urgently need to take the reins of this struggle and lead it in another direction. It is necessary to break with the corporatist unions, forming independent rank-and-file committees to unify the struggle among all the plants and with the working class as a whole.

It is also of fundamental importance to overcome the capitalist and nationalist perspective defended by the unions. Against the malign global restructuring plans of the transnational auto corporations, workers must advance their own strategy of a globally unified struggle, which is fought for by the *World Socialist Web Site* and the International Committee of the Fourth International.



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