

# Ford to shut down manufacturing operations in India, slash over 4,000 jobs

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Ford India announced on September 9 that it will end its car manufacturing operations in India, shutting down two plants in Maraimalaiagar, a suburb of Chennai in the southern state of Tamil Nadu, and Sanand, in the western state of Gujarat. As a result, over 4,000 full-time Ford workers will lose their jobs. In addition, several thousand more trainees, contract workers, canteen and groundskeeping workers will lose their jobs, along with tens of thousands of employees at supplier plants and car dealerships.

In a statement, Ford spokesperson Sinead Phipps said the company will stop making vehicles for sale in India, which include the Figo, Aspire, Freestyle, EcoSport and Endeavour, right away. Once supplies of those vehicles are sold, there will be no more sold in India. Manufacturing of some of those vehicles will continue for export at the Sanand plant until it closes at the end of 2021, and from Chennai, where the vehicle and engine plants are set to close by the middle of 2022.

The impact of Ford's exit will extend to hundreds of car dealerships, which employ 40,000 people across the country, ancillary industries, MSMEs (micro, small and medium enterprises) that have supported the plants up until now. Chennai, known as the "Detroit of India," will be hit particularly hard.

As a result of the Ford closures, KE Raghunathan, Convener of Consortium of Indian Associations (CIA), said, "over 4,000 SMEs (small and medium size enterprises) will be closing." He added, "Tamil Nadu is the worst hit with this decision as it is known as a base for many auto giants. The whole infrastructure created for vehicle exports and the logistics sector will be hit too." Raghunathan warned that around 10,000-15,000 other workers could be left jobless by the impact on SMEs.

While slashing thousands of hourly jobs, Ford plans to "significantly expand" the number of software engineers, IT specialists, research, analytics, engineering and finance employees in India. The country is already home to the Ford's second largest salaried workforce after North America and it hopes to expand the use of lower-paid skilled workers to support its global business operations.

Ford is the latest US vehicle maker after General Motors (GM) and the American motorcycle company Harley-Davidson to stop manufacturing in the world's fourth largest automobile market over the last five years. In other words, tens of thousands of jobs were destroyed in India even before this latest round of bloodletting.

Ford was one of the first global carmakers to enter the Indian

market after the initiation of pro-investor economic reforms in 1991. Announcing their decision to pull out, corporate executives said, "despite investing significantly in India, Ford has accumulated more than \$2 billion of operating losses over the past 10 years and demand for new vehicles has been much weaker than forecast."

Ford is a distant ninth, with less than two percent of the market share in India. Japan-based Maruti Suzuki is first, with 47.8 percent, followed by Hyundai and Tata with 17.4 percent and 8.2 percent respectively.

As a result of the company's "Ford Plus" business plan, CEO Jim Farley said, "We are taking difficult but necessary actions to deliver a sustainably profitable business longer-term and allocate our capital to grow and create value in the right areas."

This statement makes clear that shutting down operations in India is a part of massive restructuring by Ford and other global automakers driven by the ruthless struggle to cut costs, attract investors and dominate emerging electric vehicle markets. The COVID-19 pandemic has exacerbated this dog-eat-dog battle with analysts predicting a new wave of mergers and acquisitions and further monopolization of the industry. In response, auto executives have escalated attacks on wages, jobs and working conditions.

In January, Ford announced plans to close operations in Brazil, closing three plants and wiping more than 5,000 auto jobs in the Latin American country. In March 2019, the company announced plans to cut 25,000 jobs worldwide, including 12,000 in Europe and more than 5,000 in Germany alone.

Workers losing their long-term jobs amid the COVID-19 pandemic were shocked and angered over Ford's surprise announcement. "We never had a clue about the plant shutting down," Padmanabhan, 46, a worker who worked half his life at Ford's Tamil Nadu plant, told *The News Minute.com* on September 10. "It was one-way communication. On Thursday (September 9) afternoon, we were called in for a meeting where Ford India MD [Managing Director] Anurag Mehrotra informed us that the plant is closing. This really was shocking and it's a matter of our livelihoods."

Workers are uncertain where they will find other jobs since the pandemic has shrunk the auto market and there is already a high demand for jobs. "Most automakers such as Hyundai and Nissan do not employ permanent staff," 43-year-old Murugan, who has worked in the factory for 21 years, told local news stations.

While the unions at Ford reportedly blamed Prime Minister Modi's "Make in India" campaign for the company's decision to leave India, the fact is the unions have supported every measure to offer up Indian workers as a source of cheap labor for the multinational corporations. This includes the isolation of the courageous Maruti Suzuki workers, whose leaders were framed up in 2017 and thrown in jail for organizing opposition to sweatshop conditions and the company union at the Maruti Suzuki auto manufacturing plant in Manesar, just outside Delhi.

If the Ford unions are now criticizing Modi's reactionary policies, it is only from the standpoint that he has not done enough to attract foreign capital. The nationalist unions want the government to hand over even more tax incentives and guarantees of super-profits, even though the federal and state governments have already allowed to those companies to do whatever they want.

On September 11, Chennai Ford Employees' Union (CFEU) went to meet Rural Industries Minister TM Anbarasan and begged the state government to intervene in the crisis. Union officials appealed to the minister to assure the workers that their jobs would be protected. This is worse than useless. The Tamil-nationalist Dravida Munnetra Kazhagam (DMK)-led state government, like its predecessor and rival Tamil-nationalist All India Anna Dravida Munnetra Kazhagam (AIADMK), is fully committed to defend profit interests of companies against workers.

On September 13, a CFEU delegation led by General Secretary P. Senthil Kumar met with the Ford management to plea with management to "reconsider its decision" or "to ensure job security in case of sale of the factory to a third party," *BusinessLine* reported. A union leader acknowledged that Ford would not absorb workers in its remaining Indian facilities, saying, "It would be impossible for Ford to redeploy all people in other operations such as engineering and IT services."

After two rounds of talks with the senior management at Ford, the company made it clear it would not back down on its decision to end car manufacturing operation in India. "The talks have failed," Kumar told *The Hindu* on September 15. "Management officials said they had explored and evaluated all options before arriving at this decision."

The unions are opposed to any mobilization of autoworkers throughout the country and internationally because they do not want to do anything that might frighten off the multinational corporations. Instead, the CFEU is now appealing to Tamil Nadu Chief Minister MK Stalin .

Stalin was elected in April due to mass revulsion with the AIADMK and Indian Prime Minister Narendra Modi's Hindu-supremacist Bharatiya Janata Party (BJP), whose criminal "herd immunity" policies has led to at least 445,000 COVID-19 deaths, with many more not counted.

Stalin's DMK, which was in an electoral coalition with the Stalinist Communist Party (CPI), the Communist Party of India (Marxist) (CPI-M) and various caste-based parties, defends the property and wealth of the country's billionaires just as loyally as the BJP and AIADMK. After feigning support for the victims of the pandemic, Stalin kept the manufacturing operations of the multinationals open even as the deadly virus swept through Tamil

Nadu.

There is growing frustration and anger among Ford workers. On September 14, workers staged a protest in front of the factory at the Ford India headquarters in Maraimalai Nagar, which the union sought to channel into an impotent appeal to the Tamil Nadu government.

Chief Minister Stalin, Industrial Minister Thangam Thennarasu and senior government officials have reportedly held meetings to decide on a "further course of action." Whatever comes out of such a meeting will only be to the detriment of the workers, including seeking to attract another buyer who will insist on even greater tax abatements and concessions from workers.

N. Muruganandam, the principal secretary for industries in Tamil Nadu, whose job description is to "promote investments and industrialization" in the state, told *Business Standard*, "Talks are on between Ford and another automobile maker and some other companies too. The state government will facilitate the smooth handover of the land if they reach a deal."

To fight the closures, Ford workers in Tamil Nadu and Gujarat need to turn to their class brothers and sisters throughout the auto industry in India, the United States and internationally. To conduct such a struggle, they need new organizations of struggle, rank-and-file action committees, which are controlled by the workers themselves and independent of the pro-capitalist and nationalist unions and the capitalist parties the unions are aligned with.

The objective conditions are present for such a unified movement of the working class to be entirely possible. The sacrifice of human life for corporate profit and the efforts by the multinational corporations to exploit the pandemic to intensify the attack on jobs and exploitation of the working class is driving millions into struggle, including workers in the auto and auto parts industries, transport, public education and health care across throughout the world.



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