

Stellantis CEO complains of worker “absenteeism” in US following massive 2021 profit report

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Absences by workers at Stellantis’ US factories are more frequent than in other countries, CEO Carlos Tavares complained at a media roundtable in Europe last week. Stellantis, formed from the merger of Fiat Chrysler and France’s PSA Group last year, is the world’s fourth-largest automaker.

Tavares, speaking to the media the same day as the company’s earnings were released, stated that absenteeism was frequent at other auto manufacturers in the US as well and thus was “not a competitive penalty for our company,” *Automotive News* reported.

However, it would nonetheless need to be addressed, the CEO said, and the company would work with the United Auto Workers (UAW) and other North American unions to resolve it. “So we are discussing this matter with our unions and with our management to see how we can improve it.”

What was left unstated in Tavares’ s comments are the disastrous conditions which have driven absences from work, above all, the explosive spread of COVID-19 and the Omicron variant.

In 2021, approximately 35 million COVID-19 cases were reported in the US, and over 475,000 succumbed to the virus, according to Our World in Data. Since the beginning of the year, the hyper-infectious Omicron variant has led to at least another 24 million cases and 120,000 deaths. In early January alone, nearly 9 million workers were off sick from work, as the Omicron surge headed towards its peak.

A precise accounting of the toll of COVID-19 on autoworkers at Stellantis—not to mention the numerous workers at auto parts companies across its supply chain or at the other major automakers, for that matter—is unknown, because corporate management and the UAW have refused to disclose the total number of cases and deaths among workers. Instead, the companies and the UAW have falsely insisted that the plants are safe, in an effort to kept workers on the line and generating profits.

UAW Vice President for Stellantis Cindy Estrada hypocritically criticized Tavares’s comments, seeking to distance the union from the deadly sweatshop conditions it has worked to impose. Estrada is notorious among autoworkers for her role in facilitating job cuts and other attacks behind their backs while overseeing the union’s General Motors department and was a target in the Justice Department’s corruption investigation, according to the *Detroit Free Press*.

“On a day that we should celebrate the rewards of the hard work and dedication of the UAW members here in the U.S., it is sad we have to defend the need for workers to have time off,” Estrada told *Automotive News*. “The company has created a footprint that requires the U.S. operations to run 6 and 7 days a week, long hours to meet the demand for the highly profitable vehicles the company sells. The extreme pressure to work these long hours in the midst of a pandemic causes our members to use their contractual time off to recover from illness, rest, spend time with their families or to care for their children.”

The reality, however, is that the UAW has acted as the companies’ enforcers to help exert the “extreme pressure to work these long hours” and long ago sold off workers’ hard-won right to the 8-hour day.

“The UAW just parrots whatever the company says, sitting on their hands and pretending there’s nothing they can do about it,” a worker at the Stellantis Belvidere Assembly plant in Illinois, where workers have faced frequent layoffs recently, told the WSWWS.

“The thing about absenteeism—they’ve been laying us off indefinitely,” he said. “Obviously there’s a lot of dissent, a lot of people losing their jobs, they don’t know when they’re going to back to work.

“So knowing that they’re going to be indefinitely laid off, a lot of people have been using their PA [paid absence] days, sort of like a subtle strike. At some point, the company started saying you can’t use a PA day on this day or that day, even though the contract states you can, except for certain holidays. But they were still imposing that, and the UAW was backing it; they just let them do it.”

Stellantis sees 2021 profits nearly triple

The same day as Tavares was bemoaning worker absences, Stellantis reported its first full-year earnings as a company, announcing a dramatic rise in its profits to \$15.2 billion (€13.3 billion). Its 2021 profits were nearly triple the combined profits for Fiat Chrysler and PSA Group in 2020, growing by 172 percent.

More than half of Stellantis’ profits came from its North American businesses, where it has concentrated on high-margin vehicles, such as Dodge Ram pickups and Jeep SUVs. The company reported an elevated 16.3 percent adjusted operating margin for North America, compared to Fiat Chrysler’s 8.9 percent margin in 2020.

The company’s shareholders are expected to receive a handsome payout, with a proposed \$3.3 billion dividend. Tavares, meanwhile, received a reported compensation of \$19.6 million in 2021, more than double his 2019 pay as then-CEO of the PSA Group (or Peugeot Société Anonyme). His 2020 compensation was not released by the company. The estate of Sergio Marchionne, the former head of Fiat Chrysler who was implicated in the UAW bribery scheme, received \$29.3 million last year.

Stellantis’ substantial growth in profits was achieved not primarily by selling more vehicles but rather by cuts in costs and the increased exploitation of workers. The company reported that its revenue grew by a more modest 14 percent compared to 2020, reaching \$172.2 billion (€152 billion). Its vehicle sales only negligibly increased, from 5.9 million units sold by Fiat Chrysler and PSA combined in 2020 to 6.1 million in 2021.

At the same time, the company stated that it realized €3.2 billion in cost savings and “cash synergies” from the merger in 2021. It is targeting €5 billion in annual savings going forward.

Stellantis EV transition plan heralds further cuts

On Tuesday, Stellantis released what it touted as a long-term plan to transition to greater electric vehicle production. The company has been viewed as a laggard in comparison to its rivals, such as General Motors and Ford, which have sought to outdo each other in trumpeting substantial investments in EVs in recent months.

Stellantis stated that it planned to have all of its sales in Europe and half of its sales in the US be electric vehicles by 2030. Moreover, the company aims to maintain double-digit profit margins and double its revenues during this transition.

“The competition is fierce, and we are ready to take on the fight for the top spot,” Tavares stated.

As with the other major automakers, Stellantis is planning to offset the significant capital requirements involved in transitioning to EVs through cost cuts, the elimination of jobs and the intensification of workers’ exploitation, while simultaneously extorting local or national governments for tax reductions.

The global restructuring campaign is already underway. In France, Stellantis slashed 1,380 jobs last year and is considering another 1,300-1,400 cuts this year, according to Reuters. In Italy, the company is working with the UILM union to cut over 700 positions through “voluntary redundancies.”

As with the “Hunger Games”-style competition in which Ford and the unions have pitted workers in Germany against workers in Spain, Stellantis is no doubt planning to dangle the potential of EV product investments in the run-up to the 2023 Big Three contract negotiations, demanding in return major concessions in wages, benefits and working conditions. It will fully expect and can count on the support of the union executives in the UAW, who executed a similar strategy in 2019, most prominently at GM, resulting in the shutdown of the Lordstown Assembly Plant and several other facilities.

The predatory demands for ever greater efficiencies and cost reductions will not be limited to the major auto manufacturers. The restructuring campaign is being pursued throughout the supply chain, threatening the wholesale destruction of large swaths of the parts industry.

Earlier this year, Stellantis released new purchase order “terms and conditions” for its suppliers, *Automotive News* reported, demanding that they immediately pass on any savings to Stellantis but bear the full cost of any price increases themselves. Adopting the role of task master, the company has said suppliers must submit written plans annually by October 1 describing how they will increase productivity and slash costs.

The ferocious struggle among automakers to dominate the markets and technologies for electric vehicles is accelerating. On Wednesday, Ford announced that it would be splitting its EV business, dubbing the unit Ford Model e, from that for its internal combustion engine vehicles, which will be called Ford Blue. The prime objective of the reorganization is to lower costs and extract even greater profits from workers. The legacy Ford Blue business is being targeted for \$3 billion in cost savings by 2026, which inevitably means further savage attacks on workers.

Predictably, Ford’s announcement was met with the slavish support of UAW executives, with UAW Vice President for Ford Chuck Browning noting ominously that “job security” is “at the forefront” of the union’s discussions with Ford.

“We get sick, we need rest, we have families”

A central element of the automakers’ strategy to reduce costs and pump out ever greater amounts of surplus value from workers is the increasing utilization of low-paid temporary or “supplemental” workers. In the 2019 sellout contracts rammed through by the UAW, the expansion of the automakers’ ability to hire temps featured prominently, covered up with an often illusory “pathway to full employment.”

A supplemental worker at the Stellantis Warren Truck Assembly Plant described the exhausting hours workers have been confronting. Workers previously estimated that there were 500 workers out quarantining or sick with COVID-19 at Warren Truck at any given time in January, more than 10 percent of the workforce.

“When we were working 12 hours, and there were overlapping shifts, oh, yeah,” the worker told the WSWS, “that took a toll. That really took a toll. Seriously that took a toll on the people as far as the hours worked and then getting infected from this person or that person, working in close proximity to each other. It’s like, you know, when shift change, you got too many people.

“I believe when they went to the 12 hours, they lost a lot of people. A lot! The more they brought in the more left.

“And us people, we don’t get paid that much. Amazon pays more. Sooner or later, I’ll be gone, because it’s not beneficial to stay here. I only make like \$15. \$15 ain’t paying enough. I left a job making \$21. I came here because I thought it was better. ‘Profit sharing, and get all this and that.’ And it just didn’t turn out the way they made it to be.

“So a lot of new people probably went back to their old jobs or found a better job. I can’t keep going at this rate, hoping that once they get going they’ll fix this and fix that. I don’t think they’re going to fix it.”

Workers are deeply alienated from the UAW and do not believe it represents their interests, he said. “We don’t identify with the UAW. I’m saying, even though we pay the UAW, we don’t get anything out of the UAW. Like the UAW would say no, you can’t do this. ... They don’t tell the company ‘no.’ Whatever the company decides to do with us, that’s what they do with us.”

“Supplemental employees were forced to work 10 or 12 hours, six or seven days a week mandated by Stellantis even though COVID is killing people daily; and these supplemental employees are not represented by the UAW, despite the fact we pay union dues as well.

“Stellantis supplemental employees are human too. We get sick, we need rest, we have families, we have children, we have bills to pay.”



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