

Stellantis announces hundreds more job cuts at Belvidere, Illinois plant, as layoffs continue to roil global auto industry

Marcus Day
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Stellantis NV, the world's fourth-largest automaker, is planning to cut hundreds more jobs at its Belvidere assembly plant in northern Illinois, according to a letter sent to workers by United Auto Workers Local 1268 on March 25.

A Stellantis spokesman told local news station WREX that the company was "making additional staffing reductions to operate the plant in a more sustainable manner." The cuts will be achieved through a combination of early retirement packages and involuntary layoffs, the company said.

The Belvidere factory, which produces the Jeep Cherokee SUV, has already suffered thousands of layoffs over the past three years, with five rounds of job cuts in the last 13 months alone. The plant is currently operating with 1,812 hourly workers on just one shift. As recently as 2019, the plant, then operated by Stellantis' predecessor Fiat Chrysler, had more than 5,000 workers across three shifts.

Stellantis is seeking to reduce employment at Belvidere to "603 non-skilled and 199 skilled trades employees," the UAW local wrote in its March 25 letter to workers. The company was planning to issue WARN layoff notices to 579 employees beginning March 28, the letter stated, raising the question of whether more cuts are planned later this year to reach the company's targeted headcount. The layoffs will impact those even with decades of seniority at the plant, as far back as 1994.

Beyond Stellantis, the layoffs will almost certainly cascade throughout the local supply chain, threatening jobs at plants operated by parts producers such as Magna, Syncron, and Android Industries, as well as others.

Seeking to chloroform workers and block a struggle in defense of jobs, UAW Local 1268 wrote, "We don't believe they will be able to make all these cuts, don't make any irrational decisions at this point. We believe this is completely unobtainable and we will know more in the near future."

Local 1268 officials said they were scheduled to meet in Detroit last week with the UAW vice president for Stellantis, Cindy Estrada, to discuss the layoffs. Such talks, however, have the character of a conspiracy against workers aimed at ensuring an "orderly" draw-down of jobs at the plant and preventing a serious

struggle by workers. Estrada—who recently announced she would retire at the end of her term, and had previously been named as a target in the federal corruption investigation into the UAW—is notorious for having repeatedly negotiated painful concessions behind autoworkers' backs, including outsourcing jobs at GM's Lake Orion and Lordstown assembly plants.

The savage attack on jobs at Belvidere by Fiat Chrysler and then Stellantis have already had a devastating impact, confronting workers and their families with impossible decisions to either uproot and transfer hundreds of miles away, live apart indefinitely or take lower-paying jobs in the area.

Until recent years, the Belvidere plant had been the largest private employer in the region and one of the few remaining sources of relatively better-paying manufacturing jobs. The unemployment rate in the economically hard-hit Rockford metro area, which is roughly 90 miles northwest of Chicago, stood at 7.9 percent as of February 2022, the highest among major urban areas in Illinois and more than 50 percent higher than the state average.

Pointing to the widespread social, economic, and political crisis in which the layoffs are taking place, a veteran worker at Stellantis Belvidere told the *WSWS Autoworker Newsletter*, "All of this, including the pandemic and war in Ukraine, is looking more like an economic collapse that's going to make the recession look like a walk in the park."

"Homelessness is at an all-time high already and it's only growing," he continued. "Even when Wall Street takes a nose dive the billionaires, hedge fund managers and too-big-to-fail financial institutions will be insulated from the fallout that is to follow."

Consumer prices are surging, and the Federal Reserve is moving to raise interest rates to counteract rising wages. Under these conditions, the ruling elite is seeking to distract attention from an increasingly disastrous domestic situation via the rapid escalation of a war drive, he said. "What better way to distract people than to antagonize WWIII."

Chip shortage, supply chain disruptions continue to idle plants

Intermittent layoffs have continued to grip the global auto

industry more broadly, causing considerable uncertainty and financial strain for workers.

In addition to Belvidere, Stellantis announced recently that it would be indefinitely laying off 98 workers at its Sterling Stamping plant in suburban Detroit, where five workers died of COVID-19 in 2021. The company's Jefferson North Assembly Plant in Detroit is also temporarily shut down until May for scheduled retooling. In Canada, the company is planning to cut the second shift at the Windsor, Ontario van plant later this year.

General Motors announced Thursday that it would be idling its Lansing Grand River assembly plant in Michigan next week, with a spokesman ascribing the downtime to parts shortages unrelated to semiconductors. GM had previously announced that it would be temporarily shutting down its Fort Wayne, Indiana, assembly plant for two weeks beginning April 4 due to a lack of microchips. The Fort Wayne plant produces the lucrative Chevrolet Silverado 1500 and GMC Sierra 1500 pickup trucks.

Ford also announced in recent days that it would idle its Flat Rock assembly plant in suburban Detroit for one week beginning Monday, also due to a chip shortage.

Even as workers at plants such as Belvidere assembly and GM's Fairfax assembly have faced near-continual layoffs, workers at plants that produce the auto giants' top-selling, highest-margin pickups and SUVs, such as Stellantis Sterling Heights assembly, have faced relentless demands for overtime, with their plants driven to run almost non-stop.

The impact on autoworkers' jobs extends internationally, with supply chain disruptions exacerbated by the US-NATO conflict with Russia in Ukraine. Ukraine is a major exporter of neon gas, which is critical for microchip production, and international transportation routes and trade have been snarled by the conflict and US-led sanctions against Russia.

Stellantis CEO Carlos Tavares said this week that the company's van plant in Kaluga, Russia, operated as a joint venture with Mitsubishi, will soon run out of parts and be unable to operate. The company's Jeep plant in Melfi, in southern Italy, will also face a slowdown beginning next week due to a worsening chip shortage, with roughly 1,500 workers furloughed a day.

Despite the automakers benefiting from rising prices and reaping bumper profits—with Stellantis seeing its earnings nearly triple from 2020 to 2021—a brutal new wave of restructuring is being prepared, as the corporations engage in a furious struggle to dominate electric vehicle technologies and markets.

The Detroit Three—GM, Ford and Stellantis—have all announced massive investments in EVs over the coming decade, which they expect to offset by dramatically intensifying the exploitation of workers. Stellantis has stated that it will invest \$35 billion in EVs by 2025, while at the same time targeting double-digit profit margins.

Stellantis CEO Tavares and his counterparts are all attempting to extort massive tax breaks from local, state, and national governments, in return for promises—easily broken—for new investments in EV manufacturing facilities. Auto industry analysts have for years put a question mark over the future the Belvidere plant, which is situated far from the core of Stellantis' operations in the Detroit area. To attract renewed investment to the plant as

well as other EV makers, Illinois' billionaire Democratic governor, J.B. Pritzker, signed a package of major corporate tax credits last year. Press reports in recent months have indicated that Stellantis is considering assigning production of new Dodge Charger and Challenger EVs to Belvidere.

The company recently announced that it would be investing \$4 billion to construct a battery facility in Windsor, just across the border from Detroit, as part of a joint venture with LG Energy Solution. Ontario Premier Doug Ford boasted that the province put up “hundreds of millions” of dollars in incentives to lure the company. Stellantis is also reportedly searching for a US location for a second North American battery plant.

The UAW, with the support of the White House, is seeking to expand its reach into the new battery plants and other EV facilities, offering its services as a “reliable partner” to the automakers and hoping to secure new dues streams. In remarks at a press event this week, UAW President Ray Curry noted that the battery plants “are joint ventures, and they are apart from the national agreements,” meaning that workers at these facilities will face even more brutal conditions and ultra-low wages.

Heading into the Detroit Three contract negotiations next year, the automakers and the UAW are preparing a similar strategy to the one they carried out in 2019 and in previous years. Massive concessions will be demanded to “save jobs,” with the future of Belvidere or other plants held as ransom. In fact, this is already being carried out in Europe, where Ford is working with the Spanish and German trade unions to pit plants against each other in a fratricidal concessions bidding war, with the losing plant slated to be shuttered. But as previous experience shows, no amount of concessions will provide a guarantee against plant closures and layoffs.

The assault being planned against autoworkers threatens to eclipse even the attacks of preceding decades, as brutal as they were. With the enormous capital investments required by the transition to EVs, the auto companies must extract even greater profits. Further, the enormous amounts of resources being channeled by capitalist governments towards war must be paid for by workers, who face an historic battle.

The struggle to defend jobs and secure a massive improvement in workers' pay and working conditions requires new organizations, rank-and-file factory committees independent of the pro-corporate UAW. With workers confronting powerful transnational corporations, a key task of these committees is to link up and coordinate workers' struggles across national borders, and combine the fight for higher wages and better working conditions with the fight against war.



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