

# Workers denounce \$20.5 million payout to Stellantis chief as job cuts mount

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Amid continuing reports of auto layoffs, the announcement that Stellantis CEO Carlos Tavares will receive a compensation package of \$20.5 million has sparked anger among autoworkers.

Investor watchdog group Phitrust said \$71 million was a more realistic estimate of the value of the pay deal. *Automotive News Europe* calculated that if Tavares met all the targets in the various incentive plans he has been awarded he could receive more than \$238 million by 2026. A meeting of Stellantis shareholders also approved a \$3.7 billion (3.3 billion euro) annual dividend for investors, to be paid on April 29.

In justifying the payout to Tavares, Giorgio Fossati, Stellantis' general counsel, pointed to the company's "performance." The automaker reported net income of €13.22 billion in 2021, or about \$15 billion. Revenue rose 14 percent last year despite production cuts due to shortages of microchips and other parts and the continued impact of the global pandemic, which has sickened tens of thousands of autoworkers and killed unknown hundreds.

These massive profits were literally coined off the "blood, sweat and tears" of autoworkers all over the world. Workers have been forced to labor in unsafe factories while facing brutal speed-up with alternating periods of layoffs. Meanwhile, workers have seen their already inadequate pay levels further ravaged by inflation, which is now accelerating under the added impact of war in Ukraine.

Despite this, Tavares notoriously recently denounced North American Stellantis workers for "excessive" absenteeism even as the pandemic continued to sicken and kill autoworkers. More than half of Stellantis' 2021 profits came from its North American operations.

A Stellantis worker at the Jefferson North plant in

Detroit, responding to the gigantic pay award to Tavares, said, "It boils down to they make sure they get paid while they cut wages and reduce the workforce. What is wrong with cutting their wages?"

She continued, "They are quick to cut the workforce, but we are not the problem, the issue is the CEOs and presidents, they say the company is going under, then why are you getting so much money but the people that build the vehicles have to take a pay cut?"

A veteran Stellantis Belvidere, Illinois worker said, "It doesn't really surprise me, that seems to be the new standard operating model among the CEOs, to deliver as quick profits as possible, while leaving whole communities in ruins.

'Which ties in with all these mergers that have been taking place lately, it's nothing but a power grab, cut and consolidate so they can manufacture scarcity and charge more for their products.'

Even while it attempts to fill depleted inventories, Stellantis is engaging in ruthless job-cutting and restructuring as it prepares to shift to electric vehicle production.

The question of the Stellantis CEO pay became a topic in the French presidential election contest between Macron, the "president of rich," and the neo-fascist Marine Le Pen. Reflecting fears of the reaction in the working class to the lavish payout to Tavares, both issued hypocritical statements criticizing the size of the pay deal. Macron, who handed out massive amounts to the rich during the pandemic while calling for workers to sacrifice, called the pay package "astronomical." Le Pen, who has threatened violent attacks on immigrants, said the Tavares pay award was "shocking."

In February, Stellantis announced plans for 2,600 "voluntary" job cuts in France, which could reach as

high as 10,000 by the end of 2025. The company pledged at least \$5.7 billion of “synergies” as part of the merger between Fiat Chrysler and PSA Group. The company has been sending harassing e-mails to workers advising them on how to find jobs at other companies and even offering tips on writing resumes.

This follows reports that Stellantis is cutting jobs at its Detroit area assembly plants, including 500 at the Jefferson North Assembly plant and up to 900 by the end of the year at the Sterling Heights Assembly Plant. There have also been smaller numbers of layoffs at Sterling Stamping and Warren Stamping.

Last month Stellantis sent layoff notices to 579 workers at its Belvidere, Illinois Assembly plant as the first step in plans to eliminate more than one-half of the remaining workforce of 1,800 at the factory that builds the Jeep Cherokee SUV. The facility once employed 5,000.

Stellantis is also halting production at its Mangualde factory in Portugal. The closure, due to the global semiconductor shortage, will impact 900 workers. It is also closing its factory in Kaluga, in Russia, due to parts shortages related to the war in Ukraine.

While Tavares’ pay package is large compared to other European CEOs, it is tiny in comparison to what many American CEOs rake in. Leading the pack is Tesla founder and CEO Elon Musk, who became eligible for \$23 billion in performance incentives from the electric vehicle maker. Musk is the world’s wealthiest individual, with assets in the range of \$280 billion.

Other US auto executives are continuing to receive massive payouts, with Ford Motor CEO Jim Farley getting \$22.8 million in 2021. GM CEO Mary Barra is expected to continue her reign as the highest-paid executive among the Detroit automakers when her 2021 pay figure is announced. She received almost \$23.7 million in 2020 as the pandemic ravaged autoworkers. Barra’s net worth was estimated as at least \$173 million as of April 1, 2021.

At the same time as they preach the necessity of cost cutting and sacrifice the auto companies have used the bumper profits of recent years to enrich shareholders and corporate officers. In addition, capitalist governments have lavished tax abatements and other sweeteners on the auto companies. The US government is offering huge subsidies to the auto companies in the

form of tax credits for the purchase of electric vehicles. Meanwhile, capitalist politicians claim there is “no money” for healthcare, education and other vital services needed by the working class.

Ford and GM, as well as Japanese carmaker Toyota, announced cuts in production due to the chip shortages. Ford in Europe is attempting to pit workers at its plant in Saarlouis, Germany against workers at its facility in Valencia, Spain over which site will close, at the cost of thousands of jobs. The site to be “saved” will be determined on the basis of the cuts the unions can impose on the backs of workers.

Parts suppliers are being impacted by the cost-cutting as well, with Tenneco Automotive announcing the beginning of layoffs and the eventual closure of its plant outside Dayton, Ohio at the cost of 650 jobs. Waupeka Foundry in Tennessee announced Wednesday it is laying off 540 workers at the facility that makes castings for the auto industry.

The accelerating attack on jobs, coupled with skyrocketing living expenses and unbearable working conditions, is driving autoworkers around the world into a conflict with pro-company unions, including the United Auto Workers in the US.

The decisive question is to give this growing opposition a conscious program and direction. This is the purpose of the International Workers Alliance of Rank-and-File Committees founded by the International Committee of the Fourth International on May Day 2021. We encourage workers to register and make plans to attend this year’s online May Day celebration, which will map out an international strategy against the threat of world war, austerity and mass death under capitalism.



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