

Mass layoffs at Ford: Ruling class launches new stage in offensive against jobs

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Amid an explosive geopolitical crisis, the ongoing COVID-19 pandemic and militant struggles of workers for higher wages, the ruling class is responding with increasingly ruthless attacks on jobs.

On Monday, Ford Motor Company revealed plans to lay off 2,000 salaried workers and 1,000 contract employees, effective September 1. The cuts will take place in the US, Canada and India, with a “significant percentage” of them in Michigan, according to a company spokesman.

Last month, Bloomberg News reported that Ford was planning as many as 8,000 layoffs this year, targeting white-collar workers and positions in its internal combustion engine business. “We absolutely have too many people in some places, no doubt about it,” Ford CEO Jim Farley said at an auto conference in February.

The salaried job cuts are a prelude to a wider attack on workers’ jobs. The global auto giants are engaged in a furious effort to dominate the market for electric vehicles and other new technologies and are restructuring their operations internationally, slashing costs and seeking to extract even more profit from workers.

Stellantis (formed from the merger of Fiat-Chrysler and the PSA Group) has already carried out indefinite layoffs this year at its Belvidere Assembly plant in Illinois and the Warren and Sterling Stamping plants in Michigan, and is planning to cut the second shift at its Windsor, Ontario plant by the end of 2022.

Ford, meanwhile, previously announced that it would be ending production at its factories in Saarlouis, Germany and Chennai, India, provoking enormous anger among workers in both locations, including wildcat plant occupations in the case of Chennai. In Europe, Ford has been testing out a definite strategy to shed labor costs. It has worked with the trade unions to pit workers at different plants in a fratricidal competition to see who will accept the most concessions, dangling the promise of investments in EV production in return.

Although the shift towards EVs has been a significant factor in the restructuring of the auto industry, the attacks on autoworkers’ jobs are part of a broader process underway throughout the world economy. The ruling class, feeling itself increasingly under siege, is initiating a deliberate jobs massacre as it seeks to counteract a growing movement among workers internationally against exploitation and the disastrous impact of the pandemic and soaring inflation.

Fifty percent of US executives surveyed in early August said that their companies are reducing headcount, according to professional services firm PwC. Nearly half also said they were either implementing hiring freezes, rescinding job offers or reducing or eliminating signing bonuses.

Mass layoffs have spread most quickly in the tech industry, the subject of frenzied speculative investment in recent years, with at least 38,000 job cuts as of mid-August, a Crunchbase News tally found. Layoffs have taken place at America’s largest tech giants—including Apple, Microsoft, Meta (Facebook’s parent) and Twitter—as well as a wide range of online businesses such as Carvana, Peloton, Wayfair, Shopify, Netflix and others. Management at Google’s Cloud business unit told employees that if sales and productivity were not up next quarter, “there will be blood in the streets,” *Business Insider* reported earlier this month.

There are signs that job cuts are now spreading beyond the tech sector to major retail firms as consumer spending slows. Walmart was reported to be laying off 200 corporate staff at the beginning of August, while Best Buy has been cutting hundreds of jobs at its stores after lowering its sales forecasts in July.

The attacks on workers’ jobs are taking place despite a surge in corporate profitability since the onset of the COVID-19 pandemic, with enormous sums being continually funneled to Wall Street and super-rich

investors. General Motors announced last week that it was restoring its quarterly dividend and increasing its share repurchase program from \$3.3 billion to \$5 billion, following Ford's moves to restore its dividend last month.

Mass layoffs are building even as workers' real wages continue to decline year-on-year, eaten up by inflation, which has been substantially accelerated by the US-NATO proxy war against Russia. In July, real average hourly earnings in the US fell 3 percent compared to the year before, according to the Bureau of Labor Statistics.

The Federal Reserve, along with the central banks of many other advanced economies, has begun swiftly raising interest rates, aiming to trigger an economic slowdown and mass layoffs.

While this action is taken in the name of "combatting inflation," the central bank is totally uninterested in doing anything to address the cost-of-living crisis.

The overwhelming factor driving the increase in prices, according to an April 2022 study by the Economic Policy Institute, has been corporate price-gouging, which feeds directly into profit margins. The study found that rising corporate profits contributed six times more to rising prices than rising labor costs.

Real hourly wages for a typical worker have collapsed. But instead of doing anything to prevent price-gouging by corporations, the Fed is working to further fuel corporate profits by reducing workers' bargaining power by artificially increasing unemployment.

With increasing signs of a global recession, the aim of the financial aristocracy is to place the full burden of its socio-economic crisis on the backs of workers, using the threat of unemployment and destitution as its cudgel. In a recent survey conducted for Bloomberg News, nearly two thirds of respondents said they didn't feel comfortable asking for a raise and that employers have more leverage, a 5 percent increase from January.

The efforts of the ruling class to make the working class pay for a crisis it has no control over and is not responsible for, and even use it as an opportunity to increase workers' exploitation, is of a piece with the policies of the bourgeoisie for the past two and a half years. The ruling class responded to the COVID-19 pandemic by engineering a bailout of trillions of dollars for the banks and corporations. Measures to slow, let alone stop, the spread of the virus, insofar as they conflicted with capitalist profit interests, were successively abandoned, resulting in more than 20 million deaths worldwide and countless more debilitating infections.

But all of the catastrophic experiences of the past two years—the pandemic, skyrocketing inflation, increasingly unbearable working conditions—have at the same time generated profound social anger and grievances in the working class, with ever-growing sections of workers being drawn into strikes and other struggles.

This incipient movement is beginning to find its voice. In the auto industry, Will Lehman, a Mack Trucks worker and socialist, is running in the election this year for president of the United Auto Workers. Lehman has centered his campaign on demands to abolish the massive, pro-corporate union bureaucracy and construct a powerful network of rank-and-file committees to fight for what workers need. His campaign is winning growing support among workers fed up with decades of union-imposed concessions.

Rank-and-file committees, democratically controlled by workers, are required to organize a fight against any and all job cuts. Instead of layoffs and hiring freezes under conditions of widespread understaffing in manufacturing, logistics, health care and education, good-paying jobs must be massively expanded, wages dramatically raised and working conditions improved. To the extent that there is any slowdown in production, it must be combined with a reduction in working hours with no loss in pay, so that workers are not forced to labor 80 hours a week or more.

Moreover, in opposition to the reactionary nationalism promoted by the trade unions, an international perspective and organization are absolutely indispensable if workers are to carry out an effective fight against job-cutting and other attacks by the transnational corporations. Such an organization exists in the International Workers Alliance of Rank-and-File Committees, which has connected workers in a growing number of industries.

Above all, the working class must respond to the growing jobs massacre on the basis of its own interests and program, consciously thought through. Such a program must take as its aim the establishment of workers' democratic control of production, so that society is run to meet human need, not the profit interests of a wealthy few.



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