

# Stellantis layoffs in Detroit area part of escalating global attack on jobs

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Workers at the Stellantis Sterling Heights Assembly Plant last Friday were informed by union officials that management is cutting and consolidating 408 positions at the suburban Detroit factory, resulting in hundreds of permanent layoffs.

The cuts are part of an accelerating jobs massacre by global automakers as they seek to reduce costs and squeeze as much profit as possible from workers to finance the transition to electric vehicle production.

The Sterling Heights Assembly Plant, also known as a SHAP, currently employs 6,500 workers who build the highly profitable Ram 1500 pickup truck. Workers at the plant have already been driven to a physical and mental breaking point, alternating from demands for unlimited overtime for 90 days in a row when the plant was put on “critical status” at the end of 2021, to intermittent slowdowns and shift cancellations due to parts shortages.

The factory also employs thousands of so-called supplemental or temporary part-time (TPT) employees, whose starting wages are just \$15.78, below what many fast-food restaurants pay.

The layoff announcement has provoked widespread anger against the company and United Auto Workers Local 1700 officials. Far from opposing the attack on jobs, union officials have largely blamed workers for the job cuts, castigating them for failing to meet the company’s production demands.

SHAP workers who spoke to the *World Socialist Web Site* described a “toxic atmosphere” in the factory, where managers verbally abuse workers and are constantly on the hunt to add more tasks on workers to cut “headcount.”

“What was a two- or even three-person job yesterday has been transformed into a one-person job after the company ran a ‘study’ and determined that one person could do that job,” one SHAP worker said. “How are you supposed to do a three-person job by yourself? I knew a temporary worker who was there a year, and they let her go because they combined her job with another one, and she couldn’t keep up.”

The worker said many of her co-workers were breaking down under the stress, and last year a worker tragically took his own life in the parking lot. “We went from working a mandatory 90 days during the pandemic to being forced to work a mandatory six days a week. I was having anxiety attacks in the parking lot before I went into work every day. Now they’re threatening workers on medical leave to get them back to work.

“All they care about is getting those trucks off the line. We’re making this company billions of dollars, and at the end of the day we go home broken. And the executives are somewhere on a yacht partying.”

Stellantis, the world’s fourth largest automaker, was formed through the 2021 merger of Italian American conglomerate Fiat Chrysler and the French-based PSA Group. It made \$18 billion in profits in 2022, up 26 percent from its first year of operations.

At the end of February, the company “indefinitely idled” its Belvidere Assembly Plant in Illinois, laying off the remaining 1,300 workers at the factory. To retain their position with Stellantis, hundreds of workers have been forced to uproot their families and move hundreds of miles away to Michigan, Ohio and other states. This is not the first such move for many workers, including those who transferred to Belvidere after the 2009 shutdown of Chrysler’s plant in Fenton, Missouri, just outside of St. Louis.

After a mid-March tour of the Warren Truck Assembly Plant, just south of SHAP, CEO Carlos Tavares told UAW officials that he should have closed the plant a year and a half ago because of high absentee rates and defects. This followed the elimination of the third shift at the plant last October. In addition, workers have informed the WSWs that hundreds of jobs have been eliminated at engine plants in Trenton and Dundee, Michigan, along with stamping factories.

The company is carrying out a worldwide attack on jobs. In late February, Italian unions agreed to a deal to cut 2,000 jobs through so-called “voluntary redundancies.” Since the

2021 merger, Stellantis has eliminated 7,000 jobs at its Italian operations.

The company also slashed 360 jobs on April 1 at its Trnava, Slovakia plant after half of the workers on a weekend shift rejected “an amended work schedule,” according to local news reports.

Wall Street investors are exerting immense pressure on all the automakers to trim product lines and maximize profit margins. After profits fell below expectations, Jim Baumbick, Ford’s product development chief, told investors that Ford planned “dramatic reductions” in its product lineup starting in the 2024 model year during a conference Wednesday.

Last month, Ford announced it was cutting 1,100 jobs at its Valencia plant in Spain. This follows the release of plans to cut 3,800 jobs over the next three years in Germany, the UK and other countries. At the same time, the European unions are engaged in a bidding war over the locations of new electric vehicle production, imposing unprecedented concessions on workers to “win” the jobs.

General Motors executives announced Tuesday that 5,000 white collar workers have agreed to take buyouts from the “Voluntary Separation Program,” announced by the automaker last month. This is part of \$2 billion cost-cutting plan.

The job cuts take place as 170,000 GM, Ford and Stellantis workers in the US and Canada prepare for a major battle this summer. The corporations are using the threat of more plant closures and layoffs to beat back the demands of workers for wage increases that keep up with soaring inflation, the restoration of cost-of-living protections, the elimination of the hated two-tier wage and benefit system and an end to the super-exploitation of temporary workers.

In an editorial in the industry publication *Automotive News*, Executive Editor Jamie Butters praised GM and the other automakers for their campaign of economic terrorism.

“Workers are upset, and the companies have been putting up record profits powered by COVID-era vehicle scarcity. Most members probably expect a big payback,” Butters complained.

With automakers investing billions to make EVs and still not able to figure out how to make money on them, Butters said, they “want to hold on to as much cash as possible.” Most of all, he said, auto executives were determined never to go back to the days of the “massive obligations owed to union workers,” which he claimed, were “the root causes” of the 2009 bankruptcies of GM and Chrysler.

“If GM is aiming to soften up resistance among UAW leaders and members, the timing is just about perfect,” he concluded, noting that the \$1.8 billion in costs for the white-collar buyouts “will hit the second-quarter earnings results,

which should be announced right around the time of the handshake ceremonies that formally kick off the quadrennial negotiations.”

With mass strikes and protests spreading across France, the UK, Israel and other countries, the ruling class is using the threat of destitution, along with state repression, to beat back the resistance of workers, even as capitalist governments squander trillions on new bank bailouts for the rich and the expanding war threats against Russia and China.

Complaining about supposed “wage inflation,” US Federal Reserve Chairman Jerome Powell is continuing the policy of rate interest hikes, which is threatening to throw the economy into a recession. To “ease tight labor market conditions,” the Fed chief plans to increase the official unemployment rate, currently at 3.6 percent, to at least 4.4 percent this year. This would require throwing at least 1.4 million more workers into the streets.

In the past few weeks alone, Walmart announced the layoff of 2,000 workers at e-commerce fulfillments centers in Texas, Pennsylvania, Florida and California; McDonalds remotely terminated hundreds of corporate office workers; and hundreds of drivers and warehouse workers lost their jobs in what is being described by industry analysts as a second “trucking bloodbath.”

There is an increasing determination by workers to fight these attacks. In the auto industry and other sectors of the economy, in the US and throughout the world, workers are building new centers of working class power through the formation of rank-and-file committees, independent of the trade union apparatus. This struggle is being coordinated across national boundaries by the International Workers Alliance of Rank-and-File Committees (IWA-RFC).

Above all, the fight for secure and good-paying jobs requires the socialist transformation of society on a global scale, so technological advancements that make labor more productive can be used not to throw workers into destitution but to shorten work hours, guarantee a healthy work atmosphere and a high standard of living for all.



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