

A profile of global battery maker Clarios: Company leading drive for low-wage EV workforce

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11 May 2023

Striking workers at the Clarios battery plant outside Toledo, Ohio, confront a multi-national corporation with a web of operations spanning the globe.

The 525 workers have been on strike since May 8 after massively rejecting a sellout deal brought back by the UAW, containing totally inadequate pay raises and not addressing intolerable levels of overtime and unsafe conditions. They regularly work 19 days in a row and 12 hours a shift at straight time. Workers have lost \$10 an hour or more due to repeated cuts in piece rates. In addition, workers must get regularly tested for high levels of lead in their blood.

Milwaukee-based Clarios is the world's largest manufacturer of automotive batteries. According to the firm's website, the company produces "more than 150 million batteries—one-third of the industry's output—every year." It had a gross profit in 2022 of \$1.6 billion.

The battery maker employs 16,000 people at operations at 56 facilities around the world, including Mexico, China, Germany, South Korea, Brazil and the US. It recently acquired Spanish battery recycler Metalúrgica de Medina. The company is reportedly joining with Natron Energy to manufacture what the partners said would be the world's first mass-produced sodium ion batteries.

Its 18 US facilities include a lithium ion battery plant in Holland, Michigan, and manufacturing operations in Kernerville, North Carolina; San Antonio, Texas; St. Joseph, Missouri; Red Oak, Iowa and Florence, South Carolina. It also has a research center in Milwaukee, Wisconsin.

Clarios closed a battery plant in Middletown, Delaware, in 2020, axing 230 jobs. The company said the move was aimed at "streamlining" its operations. The state had forked over millions of dollars in subsidies when the facility expanded in 2011. Earlier in the year the plant had been cited for exceeding allowed limits of hydrogen gas and sulfuric acid air. Like the plant in Ohio, the plant was organized by the UAW, which did nothing to defend workers' jobs.

In 2021, Clarios closed its last battery recycling plant in the US, located in South Carolina, following a series of fines by the Environmental Protection Agency (EPA) for violations involving air pollution, hazardous wastes and improper transportation of lead

batteries.

The critical role played by Clarios in the production of batteries in the transition to electric vehicles cannot be overstated. For this reason the strike is of exceptional importance for the corporate and financial establishment in establishing the low-cost regime it hopes to enforce in EV production. This fight is therefore critical for all autoworkers, both in the US and globally. To win their fight, Clarios workers must tap into the enormous power of this internationally connected workforce.

Clarios is owned by Brookfield Business Partners, part of mammoth private equity group Brookfield Corporation with assets of some \$825 billion. The top management at Clarios include longtime cost cutters at a host of global corporations, including General Motors, electric carmaker Tesla, General Electric, auto parts supplier Borg Warner, Harley Davidson, German manufacturing conglomerate Siemens, tire manufacturer Goodyear and others.

Like the American Axle strike in 2008 that preceded the 2009 bankruptcy and restructuring of the US auto industry, the Toledo Clarios strike is being used as a testing ground for imposing low wages on EV workers ahead of this summer's contract expiration for 170,000 GM, Ford and Stellantis workers in the US and Canada.

Clarios was created in 2019 when auto part supplier Johnson Controls sold its Power Solutions division to Brookfield Business Partners. Johnson Controls battery operations dated back to 1885 with the founding of the Johnson Electric Service company in Milwaukee.

The highly interconnected character of the automotive parts industry is indicated by the fact that company CEO Mark Wallace (estimated net worth \$10 million) is the former president of Toledo-based Dana Inc., a major supplier of axles and other components around the world. Workers at the Dana plant in Toledo are battling a wave of recent victimizations carried out by management in collaboration with the United Auto Workers.

The interim chief financial officer for Clarios, Becky Kryger, started out as an employee of the accounting firm Arthur Andersen, which was found guilty of obstruction of justice in the coverup of the criminal activities of Enron.

In 2022, Elizabeth Powers was appointed the Chief Human Resources Officer for Clarios (estimate net worth \$3 million). She

was formerly senior vice president, chief human resources officer for Allegheny Technologies Inc. (ATI). In that position she would have overseen the strikebreaking operation against members of the United Steelworkers during the bitter six-month lockout in 2015-2016 and the 106-day strike in 2021.

Emblematic of the incestuous relationship between corporate management, the US government as well as the trade union apparatus is the case of Ron Bloom, employed by Brookfield since 2016. Before coming to Brookfield, Bloom worked in the Obama administration to lead the restructuring of the US auto industry that resulted in the slashing of the pay of new hires by 50 percent, end of cost of living indexing, the abolition of the 8-hour day and a host of other concessions, including the slashing of tens of thousands of jobs.

He served as a high-level adviser to the UAW and the USW, working to help preserve the interests of the union bureaucracies while slashing pensions, pay and benefits of workers. In 2014, he helped advise on the Detroit bankruptcy, which resulted in the slashing of retiree pensions. In 2019, he was appointed by President Trump to the US Postal Service board of governors amid ongoing efforts to downsize and privatize postal operations.

Another director of Brookfield, Steve Girsky, served on the General Motors Board of Directors from 2009 until 2016 and held a position as a vice chairman. Girsky oversaw a campaign of savage job cutting at GM's Opel division in Europe, including the closing of plants in Antwerp, Belgium and Bochum, Germany, before the division was spun off.

David Hamill, a director from Australia, was a Labor Party representative in the Queensland parliament and served various posts in the Queensland state government, including treasurer and minister for education, before finding a lucrative post in the corporate world.

A recent investigative report in the *New York Times* highlights the horrific conditions facing Clarios workers at its global operations. It cited a report that found "lead levels in soil outside its facilities that were well above the legal limit in Mexico of 800 parts per million." Clarios had bought the two facilities that recycle lead batteries in 2019.

The *Times* reported, "At one Clarios plant, a soil sample showed lead levels of 15,000 parts per million, while at the other Clarios facility, a sample showed 3,800 parts per million of lead."

There is in fact no safe exposure level of lead, which can affect numerous internal organs and can result in neurological and gastrointestinal damage as well as increasing risk of heart attack.

A nurse responsible for monitoring lead exposures at battery plants around Monterrey reported that "of the roughly 300 workers whose blood samples she tested every three months, she said a third of them had 750 micrograms of lead per deciliter of blood in their system." The average blood level for battery recycling workers in the US was 9 micrograms, according to a source cited by the *Times*.

According to the World Health Organization, "Lead recycling is an important cause of environmental contamination and human exposure." It adds, "It is estimated that, in 2015, lead exposure accounted for 495,550 deaths and the loss of 9.3 million disability-adjusted life years (DALYs) due to long-term impacts on health,

the highest burden of disease being in low- and middle-income countries."

Lithium-ion battery production is also prone to hazards, including explosions and fires. Last month, a lithium ion battery plant in Jacksonville, Florida owned by Saft caught fire, releasing potentially dangerous gasses. In 2021, a fire at a lithium battery warehouse in Morris, Illinois owned by Superior Battery forced the evacuation of thousands of residents.

Clarios workers face a powerful enemy but they have even more powerful allies. This includes autoworkers at GM, Ford and Stellantis who want to stop handling scab batteries being sent to their plants and to join Clarios workers in a common struggle. It includes the Clarios workers in Canada, Mexico, Brazil, Germany, South Korea and China who face the same struggle.

But the key to the victory of this struggle is the expansion of the network of rank-and-file committees, under the direction of the International Workers Alliance of Rank-and-File Committees (IWA-RFC), to transfer power from the UAW apparatus to the workers on the shopfloor. This is the only way to prevent the UAW from isolating the strike and imposing another sellout agreement.

Clarios workers need their own rank-and-file strike committee to fight for the demands that they need, not what the giant corporation and their long-time servants in the UAW bureaucracy want. At the same time, workers at the Big Three factories should organize their own strike support committees and invite Clarios workers to their plants for informational pickets, mass meetings and other actions.

Autoworkers should heed the call of Mack Trucks worker and candidate for UAW president in 2022, Will Lehman, to back the Clarios strike.

"All these companies want to impose the high costs of the transition to electric vehicles onto the backs of workers—through destroying thousands of jobs, slashing wages and creating a largely at-will, cheap labor "gig economy" workforce.

"But after years of record profits, workers are determined to fight for what is ours. In every country, from France and the UK to Germany and Sri Lanka, workers want wages that keep up with inflation, cost-of-living protections, an end to intolerable and unsafe working conditions and a future for the next generation.

"This struggle is a decisive fight for the whole working class, and Clarios workers need the support of every worker."

To find out more information about building rank-and-file committees to defend the Clarios workers, fill out the form below.



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