

Mass furlough at Virginia Beach-based chainsaw manufacturer Stihl

Naomi Spencer
27 August 2023

Work at Stihl? Tell us what you think about the furloughs by filling out the form below. All submissions will be kept anonymous.

Chainsaw manufacturer Stihl Incorporated abruptly furloughed one-third of its Virginia Beach, Virginia workforce on Wednesday, August 23. The company gave no advance notice of the bloodletting to the hundreds of workers put out of a job.

Workers reportedly received a mass text message at 11:52 a.m. of their Wednesday shift as supervisors walked the lines telling them to leave in the next eight minutes. Outside, they were met with a contingent of Virginia Beach Police who were called in to “direct traffic.”

Stihl is the world’s largest manufacturer of chainsaws, and produces other outdoor power equipment. The company has production facilities in multiple countries. Its Virginia Beach division, which employs approximately 2,500, is the largest. The factory spans 180 acres and produces the majority of Stihl products for the American market as well as one hundred other countries. According to the local economic development board, Stihl is the third largest employer in the city outside of US military bases.

After being railroaded out of the facility last week, workers were sent an email from Stihl USA’s newly minted CEO Chris Keffer, who justified the furloughs by pointing to high inventory levels. “Slowdowns in the market that have been affecting the entire Outdoor Power Equipment industry persist. As my predecessor, Terry Horan, shared just six weeks ago, the reduction in demand for our products has resulted in us having a major excess of inventory, and our inventory levels remain high today.”

The furloughed workers, who bear no responsibility for these purported troubles and have been kept entirely in the dark about the future of their jobs, were told they should brace themselves to be out anywhere from four to 16 weeks.

The company is providing no pay to these workers. They have been left to scramble to file for emergency unemployment benefits and worry over how they will afford bills and groceries until—and if—they can come back to work.

The Virginia Beach city government, which has given Stihl \$500,000 in the past year for expansion, was also informed of the furloughs on Wednesday. One source in the city council told local television news channel 13News Now that the company informed the city as many as 1,200 workers would be left in the lurch.

Only a year ago, Stihl announced a \$49 million expansion of its chainsaw guide bar manufacturing facility in Virginia Beach. The plan involved adding 26,000 square feet to one building on the company’s sprawling campus, but was to add only an estimated 15 jobs. In a November 16, 2022 press release, Stihl suggested the expansion “lays the groundwork for additional manufacturing activity to be moved to the company’s Virginia Beach location.”

The United States, particularly the South, is an attractive location for industrial production due to relatively low wages and lack of worker organization. Over the past decade, the US has seen a wave of “insourcing” and “inshoring” by international corporations looking to cut labor and transportation costs.

Stihl’s American market is largely centered on gas-powered tools, but internationally the company has been expanding its battery-powered lines—presently located in Virginia Beach. The US working class, battered by the COVID-19 pandemic and out-of-control inflation, has cut back spending on household maintenance. Stihl pointed to this ebb in domestic consumer demand to justify its cuts.

In its most recent fiscal year report, however, Stihl reported “record-breaking revenue of 5.5 billion euros, equating to growth of 8.6 percent compared to the previous year.” In fact, next year, the company has plans

to open new battery-operated product lines at its founding company location in Germany and at a new site in Romania.

The executive suite at the US headquarters has been a revolving door, with three CEOs in the past three years and five in the last decade. In October 2021, US President and CEO Bjoern Fischer stepped down. Terry Horan filled that position for only a year. Chris Keffer replaced Horan on August 4, less than three weeks before the furloughs.

The Stihl furlough follows a massive wave of US manufacturing layoffs this year, with 194,000 jobs cut in a wave of over 150 separate layoffs in the first six months of 2023. Another 225,000 layoffs have come in the high-tech sector since January. A further 30,000 workers at Yellow Freight were axed at the end of July—the largest mass layoff since 2020 and a sign of escalating attacks on the working class by the most predatory layer of finance capital.

The US is seeing a growing tide of class struggle. Workers have been stretched to the breaking point by poverty wages, the spiraling cost of living and oppressive shop floor conditions, all for the further enrichment of a ruling class that is wealthier than ever. According to Oxfam, a third of the American workforce earns hourly wages of \$15 an hour. Meanwhile executive pay averages \$1.3 million per year; the S&P 500 Index, which tracks stock valuations on the largest corporations, has risen 20 percent in the past year.

This combination has produced conditions for a “hot labor summer” that has seen workers coming into conflict not only with their employers but also the corrupt trade union bureaucracies that have for so long been instrumental in suppressing the class struggle and living conditions in the United States. Behind these adversaries stand the Democratic and Republican Parties and the capitalist state they serve.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact