

Stop the EV jobs bloodbath!

International Workers Alliance of Rank-and-File Committees
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As the contracts expire for 170,000 autoworkers in the US and Canada, an urgent warning must be made: What is being prepared is not a contract, it is a death warrant for hundreds of thousands of auto jobs in North America and millions around the world. To oppose this, workers must have all the facts so they can develop a strategy to defend jobs and living standards.

Most workers have heard of the transition to electric vehicles, but very few understand its implications. The UAW bureaucracy speaks vaguely about a “just transition” but is hiding the sobering reality from the membership: This once-in-a-century industry transition threatens to eliminate half or more than half of all auto jobs in the US in the next five to 10 years, according to industry reports and research by experts.

The companies have already drawn up lists of plants that will be shuttered, and many workers already have targets on their backs without even knowing it.

In an interview at Louisville Assembly Plant in Kentucky on August 28, UAW President Shawn Fain admitted that there are many plants where “we don’t know down the line what’s lined up for them.” Many plants “have an unsecure, unstable future,” he said, though he did not answer a question about plans to secure future work beyond claiming “we will secure that in bargaining.”

Autoworkers from the Big Three to the parts suppliers want to know: Which plants are slated for closure? Has a decision already been made to eliminate my job?

Workers must understand the facts in order to prepare for the fight over the future of the global auto industry.

The coming transformation of the auto industry

By 2040, more than half the market for global auto production is projected to be in EV. World EV sales nearly quadrupled from 3 million in 2020 to over 10 million just two years later in 2022. By 2030 the International Energy Agency predicts global sales will more than triple to over 35 million. Annual US EV sales are estimated to increase from 300,000 in 2020 to 1.7 million per year by 2023.

If the corporations have their way, this shift will come at the expense of workers who produce cars and vehicles with an internal combustion engine (ICE). Because EVs require far less labor time than ICE vehicles, corporate management plans to carry out this transition by slashing hundreds of thousands of jobs in the US and Canada and millions of jobs worldwide.

Former Ford CEO Jim Hackett said in 2017 that “electric vehicles will mean auto factories can have a final assembly area that is half the size, requires half the capital investment and 30 percent fewer labor hours per car.” Current CEO Jim Farley said earlier this year, “We absolutely have too many people in some places, no doubt about it.”

According to Reuters, “Volkswagen’s top labour representative Bernd Osterloh said electric car powertrains have only a sixth of the components when compared to combustion-engined variants.” Citing Osterloh, Reuters wrote, “A battery factory requires only a fifth of the workforce when compared with an engine plant.”

According to a 2021 report from the European Association of Automotive Suppliers, 500,000 autoworkers are going to lose their jobs in Europe alone by 2040, including 121,000 in Germany, 74,000 in Italy, 72,000 in Spain, and 56,000 in Romania. A separate consulting group, Ifo Institute for Economic Research, predicted 215,000 job losses in Germany by 2030, accounting for 40 percent of the country’s autoworkers. The analytical firm Arthur D. Little Japan predicts 84,000 workers will be fired by 2050, and a top union official at the South Korean company Hyundai predicts that 70 percent of all autoworkers there will soon lose their jobs.

The impact on the US will be devastating. Brett Smith, director of technology at the US-based Center for Automotive Research, said, “The industry is going through a transition unlike anything we’ve ever seen. There’s a pretty strong chance that there will be fewer people building these cars, fewer people building the parts to these cars, and that will create challenges in some automotive communities.”

“Fewer” is an understatement. Massive numbers of US autoworkers, regardless of whether they work for a Big Three company or are members of the UAW, are at risk of losing their jobs in the immediate future.

Predictions range from bad to worse. One “optimistic” study by the Economic Policy Institute said 75,000 auto jobs may be cut in the US alone in the next seven years, including 33,000 assembly jobs and 41,000 parts jobs.

But if producing EVs takes 30 percent less labor hours, and if building a battery requires only 20 percent of the number of workers it takes to build an engine, then job cuts in the US are likely to be closer to 500,000 in the coming years. In either case, mass layoffs will create a race to the bottom over jobs at EV plants. The rise in unemployment will drive downward pressure on wages not just in the auto industry, but throughout the economy—which is precisely the goal of the American ruling class.

Moreover, the attacks on jobs will be combined with brutal cuts to labor costs, as the Big Three seek to compete with newer EV makers in the US, such as Tesla, where wages and benefits are much lower.

Why haven’t workers been warned?

The UAW has known for years that this has been coming, and it is now hiding from workers the urgency of the risk to their jobs and livelihoods.

UAW Research Director Jennifer Kelly put it bluntly in 2018: “The workers who are making engines and transmissions today, their jobs will be eliminated when we make a transition to electric vehicles. We’re looking at a considerable net job loss just in that technological transition.”

According to the UAW’s 2020 White Paper on EVs, workers at

powertrain and engine plants will be first on the chopping block. “The shift to EV powertrains also presents a challenge to the employment of workers currently making ICE engines, transmissions, exhaust systems, and fuel systems,” the white paper states, adding, “A UBS-commissioned teardown of a Chevy Bolt found that the EV powertrain had over 80% fewer moving parts than a comparable ICE powertrain and improved technology and design will allow for greater EV powertrain integration, leading to even fewer parts.”

If this is the case, why has the UAW bureaucracy allowed the companies to close plants like the Romeo engine plant in Michigan and Belvidere Assembly in Illinois?

The UAW bureaucracy has made plain it won’t fight factory closures. For decades the bureaucracy agreed to plant closure after plant closure, and now there are more to come across the industry.

Automotive News explains that although engine and assembly workers are at the highest risk of losing their jobs, those who produce many critical parts will also be fired. “Electric vehicles are driven by e-axles, which consist of motors, inverters and other components,” the publication explained. “Because e-axles are less stuffed with parts than engines are, the rise of EVs will minimize the importance of the auto industry pyramids and lower the barrier to entry by newcomers from other sectors.”

The CEO of Bosch said in 2021 that the transition to EV may mean nine of 10 workers manufacturing some parts are going to lose their jobs worldwide. According to the Japanese business news outlet Nikkei, “While it takes 10 people to make a fuel-injection unit for an engine, it takes a single person to produce a motor, said Volkmar Denner, CEO of German auto supplier Robert Bosch. Volkswagen and Daimler will cut factory staff as part of their embrace of EVs.”

The reality is that no autoworker’s job is safe from the rounds of layoffs that are on the horizon in the coming months and years.

Global competition and the race to the bottom

To the political establishment, the transition to electric vehicles is necessary to drive up profits and outcompete US corporations’ rivals in Europe, Japan, South Korea and especially China.

The *Financial Times* warned on August 28 that Chinese EV battery makers “have raced ahead of battery rivals in South Korea and Japan, leaving the US and Europe contemplating how to stoke an electric car industry without relying on China for the most important and costly piece of the puzzle.”

This drive to undermine their global competitors and maintain their massive profits pushes the US auto companies to dramatically intensify their exploitation of autoworkers.

According to a July report in Bloomberg, in this year’s contract, “Ford will seek leeway in its \$50 billion plan to boost EV production 15-fold to 2 million models a year by the end of 2026. The company wants the ability to move workers to factories building the most in-demand models, whether they’re powered by electricity or traditional internal combustion, according to Ford sources who requested anonymity discussing internal matters. The current union contract restricts Ford’s ability to flex production, they said.”

This means the Big Three have no intention of ending tiers or temporary work. Instead, they are trying to transform the entire auto industry into a flexible, Uber-like workforce with little to no job security, subject to being moved from city to city and plant to plant according to what makes the company the most money.

Preparations for war

The US government has supported the corporations in this race to the bottom and encouraged it with billions in free loans. For example, the Biden administration loaned Ford \$9.2 billion to build battery factories with SK On, a South Korean company, in the South.

The Biden administration has touted its role in “accelerating the EV transition,” passing legislation requiring two-thirds of domestic cars be EV by 2040 and giving money to companies producing lithium and other critical minerals required for EVs and microchips. In October 2022, Biden called the transition “critically important” because “Right now 75% of battery manufacturing is done in China.” Biden accused China of “undercutting U.S. manufacturing with their unfair subsidies and trade practices” and seizing “a significant portion of the (battery) market.”

The US government views the effort to build a domestic supply line for EVs and secure access to critical minerals required for the production of microchips and semiconductors as a matter of military necessity, so that it does not have to rely on China to produce military equipment and maintain an industrial base. The 2021 National Defense Authorization Act passed by Congress was aimed at undermining China’s domination of rare earth metals, microchips and EV production.

Under capitalism, the drive of the ruling class to dominate the world markets and subdue its competitors leads inevitably to imperialist war. Preparations for war against China are so advanced within the military-intelligence apparatus that four-star Air Force General Michael Minihan said in a January 2023 memo that he believed the US would be engaged in a full-scale war with China by 2025. Such a war between nuclear-armed powers would likely mean the end of human civilization.

The role and goal of the UAW bureaucracy

The UAW bureaucracy is approaching this critical juncture not from the standpoint of how to defend workers’ jobs, but from the standpoint of how to defend its own privileges, which it derives from workers’ dues money and from its cozy relationship with management. The UAW has over \$1.1 billion in assets which it uses as a personal slush fund to pay hundreds of bureaucrats six-figure salaries.

The UAW claims it wants the transition to EVs to be a “just transition,” but this is not possible under capitalism, which upholds the “right” of private corporations to shut plants, move production and impoverish workers.

Fain does not challenge this so-called right, and the new UAW administration did nothing to challenge the Belvidere plant closure. As Illinois radio station WJBD wrote in April, “Asked if closing the Belvidere plant was a red line for the union that would provoke a strike, Fain said he didn’t want to talk about the union’s plans.”

The UAW is, however, interested in accessing the dues money of workers, and in many cases corporations are willing to bring the UAW apparatus in to help discipline the workforce. For example, EV battery company The Metals Company signed a neutrality agreement with the UAW in September 2022, a move which the UAW noted would “bolster the critical mineral supply chain and...lay the groundwork for sustainable production of electric car batteries while creating a path to more good union jobs in the United States.”

The UAW bureaucracy also agreed to exclude Big Three joint venture battery plants from the national contract in exchange for a temporary agreement at the Ultium Cells plant in Lordstown, Ohio. The UAW’s “interim agreement” with GM-LG Energy joint venture accepted poverty

wages which lag far behind pay at the shuttered Lordstown Assembly plant, which employed 4,500 workers before it was closed in 2019.

These moves are encouraged by the Biden administration, which also views the union bureaucracies as necessary to prevent strikes and increase productivity. On August 28, the Treasury Department issued a report which “describes how a policy of strengthening unions” could “support broader economic growth” and lead to “increased productivity” while addressing “the pervasive sense of the deterioration” of living conditions among broad sections of the population.

In whose interest will the transition to EV be carried out?

Critical conclusions flow from this reality. The rank and file confront a jobs massacre that will eviscerate entire cities and towns if it is allowed to happen.

The corporations and the Biden administration are working together to boost profits at workers’ expense, while the UAW bureaucracy is not negotiating with the companies on behalf of workers, but only on behalf of securing its own parasitic interests and securing new sources of dues money.

Republican opponents of the switch to EV, including Trump and figures close to Trump’s fascist advisor Stephen Miller, oppose the transition not because of its negative impact on workers, but because they oppose any restriction on the “right” of corporations to make profit and exploit the workforce. These agents of the corporations downplay the significance of climate change, which has had a devastating impact on the working class and threatens the world with extreme weather and disaster events for which working class communities are left unprepared.

Trump and other Republican politicians—ruthless defenders of the profit system—have absolutely no concern for the jobs and well-being of workers. Rather, they are seeking to capture the widespread anger in the working class over job cuts and divert it in a right-wing, nationalist direction.

There can be no “just transition” to EVs under capitalism. What is required is for the auto industry to be taken out of the hands of the corporations and placed under public ownership and workers’ democratic control. Rank-and-file autoworkers must run the auto industry without the executives and shareholders, to ensure that global vehicle production is organized to meet human need, not to generate private profit. This requires the international unity of autoworkers across the world, who confront the same enemies in the world’s transnational auto companies.

All the life-and-death issues workers are confronting—the threat of mass unemployment, nightmarish working conditions, irreversible damage to the climate, world war—are the product of the global crisis of the capitalist system. None of them can be resolved on a national basis or without confronting head-on the wealth and privileges of the ruling class. That requires workers to adopt a socialist and internationalist strategy.

The transition to EVs cannot be allowed to take place at workers’ expense. Social ownership and workers’ democratic control of the auto industry are needed so that this transition can be carried out through a massive *improvement* of workers’ living standards and working conditions throughout the world.

Under capitalism, advances in artificial intelligence, robotics and other labor-saving technologies are used to throw workers onto the unemployment line. But if they are controlled by workers and directed in their interests, the advances in humanity’s productive capacity can be used to lessen the physical toll on workers, shorten the workweek and guarantee a high standard of living for everyone.

The International Workers Alliance of Rank-and-File Committees calls

for:

- Immediate release of the list of planned plant closures!
- Not a single job loss or plant closure in the transition to EV!
- If EVs require less labor time to produce, then reduce hours and increase pay!
- Unite across borders to prevent a race to the bottom!
- Place the auto industry under social ownership subject to democratic worker control!

Workers must organize themselves in each plant and warehouse to fight for these demands. Form rank-and-file committees, educate your coworkers about what the transition to EV means and why it should be carried out in the interests of the working class, not the CEOs, shareholders and affluent UAW bureaucrats.



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