

As Stellantis layoffs loom in US, global auto companies announce job cuts

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Anger is building among Stellantis workers in Ohio and Michigan over the impending layoff of up to 3,700 workers at the Toledo Assembly Complex and the Detroit Assembly Complex-Mack. The layoffs are part of a global wave of job cuts in the auto industry including German parts makers Bosch and Continental as well as global carmaker Volkswagen.

Stellantis announced the job cuts shortly after the United Auto Workers pushed through new four-and-a-half-year labor agreements, which union officials claimed contained “historic” gains for 146,000 Stellantis, Ford and GM workers. In fact, the agreement pushed by UAW bureaucracy has given the automakers a green light to slash tens of thousands of jobs.

Both the Toledo and Mack plants build Jeep brand vehicles. The cuts will also impact parts suppliers in the area, with Syncreon in Toledo announcing it is cutting 68 jobs February 5. Borg Warner, a Stellantis supplier, is moving to close its facility in Kokomo, Indiana by the end of the year at a cost of 100 jobs.

The job cuts continue the stepped-up pace of layoffs that took place throughout the economy in 2023, with layoffs in the US almost doubling the 2022 figure, reaching 700,000. This assault on the working class is the intended result of the economic policy of the Biden administration and the US Federal Reserve, which has pushed interest rates to a 40-year high in the name of fighting “inflation.” In reality, the policy is aimed at deliberately driving up unemployment to undermine the growing strike wave in the US and globally.

The cuts at Stellantis will primarily impact temp workers, who received false promises from the supposedly “reformed” UAW bureaucracy, led by president Shawn Fain, that they would be promoted to full-time positions with passage of the 2023 national auto contracts. Instead they are facing indefinite

layoffs, with no guarantee they will ever be called back.

Stellantis officials have said the cuts were agreed to by the UAW during contract talks. In a blatant act of deception, the UAW concealed this from the rank and file as it pushed for ratification of the deals.

The company justified the job cuts by absurdly claiming they were the result of the enactment of stricter car emissions standards by the state of California. The state has sought to ban the sale of gasoline-only powered vehicles, but not until 2035.

The cuts further debunk the claim that the 2023 contract was a “record” win for autoworkers. As the *World Socialist Web Site* has repeatedly warned, autoworkers face a global jobs bloodbath as the automakers transition to electric vehicles, which require less labor to produce. Industry reports project that one half or more of all existing auto jobs in the United States will be eliminated in the next five to 10 years in the transition to electric vehicles.

Workers told the *World Socialist Web Site* that a UAW Local 12 meeting Friday in Toledo exploded in anger after UAW officials failed to provide any answers about the upcoming job cuts at the Jeep complex. One second tier worker told the WSWS, “The TPTs (temporary part time workers) don’t know what’s going on. They’re not getting any answers from the union and there is mass confusion. They are outraged and they have plenty to be angry about. The union shut down the night shift local meeting because a guy was calling out the committee over the layoffs.”

A temp worker at Jeep who personally faces layoff told the WSWS, “I do not trust Fain. They had the layoffs planned before the strike. They had a strike just so they could say it was a ‘record’ contract. The contract was going to pass regardless. They showed

that when they sent us back to work before voting.”

Ford and General Motors in the US have also announced impending cuts, with Ford reducing production targets for 2024 by one half at its Ford F-150 electric vehicle plant in Dearborn, Michigan. The production cuts mean that perhaps one half the plant’s current 2,200 workforce could face layoff. Ford temporarily laid off 1,600 at its Louisville Assembly Plant last November, following the signing of the UAW contract.

GM is indefinitely laying off more than 945 workers at its Lake Orion, Michigan assembly plant after delaying the start of production of its new electric truck. Another 369 workers are being laid off at the GM Lansing-Grand River plant.

In the wake of the signing of the UAW contract, Stellantis offered another round of buyouts to 6,400 of its 12,700 white collar employees. The company said it is a cost cutting move as it transitions to electric vehicles. The UAW contracts at all three automakers include “voluntary employment separation” buyout packages to further cut workforces.

Globally, automotive supplier Bosch announced plans to cut up to 1,500 jobs at two sites in Germany. The company called the cuts an adaptation to “changing technologies” in the auto sector, a euphemism for electric vehicle production. The company said it was in talks with the works council over “voluntary” layoffs.

Another German auto parts company, Continental, said it will cut “thousands” of jobs as part of a restructuring plan aimed at saving \$428 million a year beginning in 2025. The cuts will take place in the company’s automotive division that produces software, safety features and autonomous driving technology. According to CNN, the cuts will be in “the mid-four-digit range.” The works council has reportedly “urged” the company to avoid outright layoffs through part time work, retraining and transfers.

Meanwhile, German automaker Volkswagen and the IG Metall trade union have agreed on a drastic cost cutting program that will entail job cuts, that, while not yet concretized, could exceed 10,000 workers. A major portion of the cuts will be borne by the remaining workforce through intensified production and suppressing wage levels.

The auto cuts are part of global job cutting by the employers including at BlackRock, the world’s largest

capital management firm, which is cutting about 3 percent of its global workforce, 600 jobs. Newell Brands, the maker of Rubbermaid and Sharpie, says it is cutting about 7 percent of its office staff. In addition, UPS is laying off workers in Kentucky and Oregon.

According to a survey by ResumeBuilder.com, 38 percent of business leaders think layoffs are likely in 2024, with 22 percent of this group anticipating letting go of 30 percent or more of their workforce. Sixty-nine percent of business leaders are looking to reduce costs, 51 percent are anticipating a recession, 42 percent aim to increase profits, and 39 percent cite the replacement of workers with AI as reasons for potential layoffs.

The escalating onslaught on jobs underscores the need for the working class to develop new, democratic organizations of struggle, independent of the pro-corporate trade union bureaucracy. The worldwide character of this assault poses the need for workers to unite their struggles internationally against the transnational corporations through building the International Workers Alliance of Rank-and-File Committees.

If technological advances such as electric vehicles and AI are to be used for the benefit of society, and not for the destruction of the jobs and living standards of workers, the transnational corporations must be converted into public utilities, democratically owned and controlled by the working class, as part the socialist transformation of the global economy.



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