

UPS announces 12,000 layoffs as corporate job cutting accelerates

Tom Hall
30 January 2024

The UPS Workers Rank-and-File Committee is holding an emergency online meeting this Sunday, February 4, at 7:00 p.m. Eastern Time: “Organize the rank and file to fight the job cuts at UPS! Unite with autoworkers, tech workers and the whole working class against layoffs!” Register for the meeting here.

On Tuesday morning, the same day the company reported it made billions in profits last year, UPS announced plans to lay off 12,000 workers across its global operations. The move is the latest in an accelerating global jobs massacre by giant corporations, including the destruction of thousands of jobs in the US auto industry over the past month.

More layoffs were also announced in the tech industry, which has been a particular focal point for cuts. Paypal announced Tuesday it intends to cut 2,500 jobs, roughly 9 percent of its total workforce, Bloomberg reported yesterday. Microsoft also announced 1,900 job cuts last week, mostly in its newly-acquired Activision Blizzard gaming subsidiary. According to website layoffs.fyi, over 25,000 tech jobs have been eliminated in the first month of the year, after more than 260,000 in 2023.

A UPS spokesperson told NBC News that three-quarters of the cuts would take place in the first half of the year, but added that they would not affect unionized workers. Bloomberg reported that the cuts would be centered on management employees. Remote work options would also be ended for those who remain.

But hours later, workers posted to Facebook that the day shift sort at the company’s Baltimore hub was being ended. A flyer announcing a membership meeting to discuss the cuts was posted by Teamsters Local 355.

The Baltimore hub is at least the third major UPS facility to eliminate its day sort shift in recent weeks, following the Centennial ground hub in Louisville, Kentucky and the 81st Street hub in Indianapolis, Indiana. The day sort shift was also briefly eliminated last year at a warehouse in Portland, Oregon.

Even if the company’s claims that the layoffs are limited to management is taken at face value, this only means that cuts affecting warehouse workers and drivers, who are under the Teamsters union, are *in addition* to the 12,000 announced Tuesday.

A key mechanism through which management is carrying out

layoffs, both at UPS and throughout the economy, is by leveraging automation and other emerging technologies to replace or eliminate vast sections of the workforce. UPS plans to triple its use of robotics over the course of this year. In November, it opened its new Velocity hub in Louisville, which can process 350,000 packages a day using 3,000 robots and only 200 workers.

Earlier this month, the UPS Workers Rank-and-File Committee issued a statement on the layoffs, which explained “The jobs of nearly 200,000 part-timers at UPS are at risk. This is not something coming down the pike. It is here, it is happening now, and we have to organize ourselves now to fight it.” It proposed a “counter-campaign” based on actions organized by workers independently of the Teamsters bureaucracy, and in alliance with workers in other industries where mass layoffs are taking place.

“We are not against new technology, which could and should be used to make our lives easier instead of throwing us out on the street,” the statement said. “Instead of costing us our jobs, the huge efficiencies promised by automation should be used to reduce the length of our work schedule, while *increasing* our total take-home pay.”

Teamsters executives knew these layoffs were coming but said nothing, while presenting last summer’s contract as a major victory. In fact, it was a sellout that has prepared the way for the current layoffs, against which the contract contains no restrictions. Now, it is maintaining a guilty silence on the layoffs. As of this writing, neither the national union nor General President Sean O’Brien have even acknowledged them. This only underscores the fact that workers can only fight against the layoffs through a rebellion against the union apparatus.

Tuesday’s announcement sparked outrage from UPS workers. “Not even six months into the contract and we quickly found out how weak this contract is,” one told the WSWS. “[In other words]: Profitable but not as profitable as we’d like,” another said on Reddit.

Record profits shored up by massive layoffs

The layoffs were announced as UPS released in its 2023 earnings, which showed the company made \$9.9 billion in adjusted operating profits off of \$91 billion in revenue last year, both near the record highs set in 2022. In a prepared statement dripping with hypocrisy, CEO Carol Tomé thanked UPS workers for making this possible: “I want to thank UPSers for providing the best on-time performance of any carrier for the sixth year in a row.” The company then showed its “thanks” by firing a large chunk of them.

The layoffs are part of a class policy spearheaded by Washington. For the past two years, the Federal Reserve has increased interest rates with the stated purpose of increasing unemployment in order to beat back demands by workers for higher wages. The union bureaucracy, by limiting or preventing strikes and enforcing contracts with substandard wage increases, has played a key role in this policy.

In December 2023, US corporations carried out 1.616 million “layoffs and discharges,” according to the federal Bureau of Labor Statistics. This is an increase of 141,000 from December 2022. The 149,000 “separations” last month occurred in the transportation, warehousing and utilities sector, an increase of 39 percent year-on-year. Meanwhile, the number of workers who quit their jobs dropped to the lowest level since the start of 2021, ABC News reported.

The result of this policy has been massive profits. According to the website Grow & Convert, Fortune 500 companies made a combined \$2.9 trillion in profits last year. By far the largest single portion of this, at \$1.1 trillion, came in the United States, with China a distant second. US profits in the transportation sector were \$73.8 billion.

Union bureaucrats: An instrument of class-war policies

The role of the Teamsters bureaucracy in the layoffs is not simply the product of corruption. O’Brien was installed in 2021 as general president as part of an operation involving the Democratic Party and pseudo-left groups like the Democratic Socialists of America. Its purpose was to try to keep control over an angry and militant rank-and-file by presenting O’Brien, a career bureaucrat, as a militant reformer. In reality, his task was to carry out the massive new layoffs which are now underway.

This is part of a national campaign to uphold the authority of the union apparatus. United Auto Workers President Shawn Fain was elevated to the top post in a similar fashion, in a fraudulent government-monitored election in which more ballots were marked “undeliverable” in the mail than were actually cast. This was done to cut out the membership as much as possible, and, in particular, to prevent socialist autoworker Will Lehman, running on a platform of abolishing the

bureaucracy, from gaining a larger hearing. Lehman has filed a lawsuit against the federal government over the election irregularities.

Fain and the UAW, after holding a toothless “stand-up strike” affecting only a small number of auto plants, pushed through a contract which has likewise paved the way for massive layoffs in the auto industry. Hundreds of thousands of jobs are expected to be cut in the coming years as the industry moves towards electric vehicles. In recognition of services rendered, Fain was crowned “Labor Leader of the Year” by CNN Business.

Another related role assigned to the union bureaucracy is to prevent the working class from intervening in the massive political crisis in the US, centered on the 2024 election. Fain and the UAW apparatus, which claimed in December to support a ceasefire in the Gaza strip, endorsed Biden last week, while bureaucrats dragged anti-genocide protesters out of the hall. Biden, in accepting the endorsement, gave a warmongering, “America-First” speech, declaring that American workers had to produce “aircraft carriers, tanks or automobiles.” Since then, Fain has made several appearances on television talk shows to stump for Biden.

The Teamsters, meanwhile, have yet to officially endorse a candidate, but have been openly sending out feelers to the fascistic Donald Trump. The layoffs at UPS were announced only a day before a “candidate roundtable” at the Teamsters’ Washington DC headquarters with Trump. O’Brien met with Trump earlier this week at his estate at Mar-a-Lago.

Both the UAW endorsement and the Teamsters’ courting of Trump have triggered widespread outrage among workers, many of whom see both as right-wing spokespersons for the corporate oligarchy. Whether the bureaucracy backs Biden or Trump, this only expresses in different ways their hostility to the working class and their integration with the capitalist political establishment. The task for workers is to intervene in the crisis on the basis of their own program, which requires a rebellion against the apparatus as well as a fight for socialist politics and against the capitalist profit system.



To contact the WSW and the Socialist Equality Party visit:

wsws.org/contact