

UPS cuts 12,000 jobs: The ruling class accelerates its policy of mass unemployment

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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.

United Parcel Service announced Wednesday that it is firing 12,000 salaried workers—14 percent of its worldwide managerial staff—as part of a \$1 billion cost-cutting plan. The mass layoffs by the logistics giant, which will go into effect in the first half of this year, are part of an accelerating global wave of job-cutting in auto, technology and other industries.

In a conference call with investors, UPS CEO Carol B. Tomé boasted that her executive team had slashed the company’s worldwide workforce from 540,000 when “COVID demand peaked” to 495,000 today. Even if volume increased, she said, the managers would not be hired back.

Although the Teamsters union claims these cuts do not affect the company’s unionized workers, management positions are being reduced because UPS intends to have far fewer warehouse workers, over-the-road drivers and package delivery workers to manage. Within hours of the announcement, workers at the Baltimore hub reported on Facebook that the day shift sort had been ended, making it at least the third major hub to lose the day shift in recent weeks.

Tomé said UPS would accelerate the use of labor-saving technologies to squeeze more volume out of fewer workers. Pointing to the new UPS Velocity facility in Louisville, Kentucky, she said, “We named it Velocity because it leverages robotics, automation, machine-learning, and artificial intelligence to streamline fulfillment operations.”

The job cuts were announced right after the company reported its year-end financials, which showed that in 2023 the company made \$9.9 billion in operating profits, including \$5.5 billion in the US, despite a falloff in volume. UPS also announced that \$7.6 billion had been shoveled to shareholders through stock buybacks and increased

dividends. While big investors reaped this massive payout, workers saw their hours cut by nearly 10 percent during the last quarter, as the company worked to offset the 12 percent increase in wages in its new agreement with the Teamsters.

The job cuts expose the lies peddled by Teamsters President Sean O’Brien and his public relations operatives in the Democratic Socialists of America, who claimed that the union won a “historic” contract last year after defying the near unanimous strike vote by 350,000 workers. The Teamsters bureaucracy knew the job cuts were coming and offered its collaboration in the destruction of workers’ livelihoods.

Commenting on the UPS job cuts, the *Wall Street Journal* wrote:

Many U.S. companies are laying people off as executives look to trim costs, eliminate redundant roles and speed decision-making. Beyond the budget-tightening that often takes place at the beginning of the calendar year, executives and analysts say, there is a growing sense that the work of slimming down isn’t over.

These cuts have spread across wide sections of the economy. After 260,000 technology jobs were eliminated last year, another 24,000 tech jobs have been slashed in the first month of 2024. The tech layoffs include PayPal (2,500 jobs), Microsoft video game division (1,900), Unity Software (1,800), Google (1,000), EBay (1,000), Salesforce (700), messaging platform Discord (170) and hundreds of jobs at Amazon’s Prime Video, MGM Studios and Twitch livestreaming divisions.

On Wednesday, COVID-19 vaccine maker Novavax announced it was cutting an additional 12 percent of its workforce, on top of the 25 percent cut it had previously said it was planning last May, as it moves to aggressively cut costs.

Elsewhere, printer maker Xerox is cutting more than 3,000 jobs. Macy's is slashing 2,350 positions, and online retailer Wayfair is eliminating 1,650 jobs. Citigroup is cutting 20,000 jobs by the end of 2026, and Blackrock has announced 600 job cuts. Thousands of journalists are losing their jobs at CNN, NBC News, the *Los Angeles Times*, *New York Daily News*, *Forbes*, *Sports Illustrated* and other outlets.

Next week, nearly 4,000 autoworkers at Stellantis plants in Toledo, Ohio and Detroit, Michigan will be laid off just weeks after hundreds of supplementary (temporary) employees (SEs) were abruptly fired. Ford and GM are also laying off thousands.

The automakers are carrying out a global restructuring, slashing costs and jobs and seeking to gain an edge in the electric vehicle market. In Germany, France and Italy, thousands of workers are being laid off at Stellantis, VW, Bosch, Continental, ZF and other auto and components makers.

The destruction of workers' jobs is a deliberate class policy supported by capitalist governments around the world. Their criminal response to the pandemic has resulted in nearly 30 million deaths worldwide, while untold millions have fallen out of the workforce due to Long COVID. This "labor shortage" led to a small uptick in wages after decades of declining or stagnating incomes, which the ruling class deems unacceptable.

In the name of fighting "wage inflation," the US Federal Reserve drove up interest rates to their highest levels in more than 22 years to sharply increase unemployment and beat back workers' demands for wage increases that kept pace with inflation. The Fed's rate hikes have been emulated by central banks around the world.

Citing the December 2023 job figures, the *Wall Street Journal* noted with satisfaction Tuesday that layoffs had increased and the rate at which workers quit their jobs had fallen below the pace just before the pandemic began. Not satisfied with the current level of joblessness, however, the Federal Reserve on Wednesday held interest rates steady, keeping its foot on the neck of the working class. "If we saw unexpected weakening in the labor market, that would make us cut rates sooner," Fed Chief Jerome Powell declared.

The American ruling class is conducting a war on two fronts. It is backing Israel's genocide in Gaza, expanding its military operations in the Middle East, and preparing for direct conflict with Russia and China to reassert its hegemony over the world, its resources and pools of cheap labor. At the same time, it is deliberately immiserating the working class at home and imposing levels of exploitation and dictatorial conditions in the factories and workplaces

that it needs to wage World War III.

In pursuing this policy, the Biden administration has relied on the bureaucracies that run the unions to suppress strikes or to sell them out if they occur. As with the Teamsters, the supposed "historic" agreements signed by SAG-AFTRA, the Writers Guild and the United Auto Workers have paved the way for a massive assault on jobs. The labor bureaucracies have been well compensated for their services and further integrated into Biden's plans for war abroad and savage austerity at home.

Last week, the UAW apparatus officially endorsed Biden for president, with Fain joining hands with "Genocide Joe" at a union conference as protesters calling for a ceasefire were dragged from the hall. The Teamsters has yet to make an endorsement, though the apparatus met with Trump Wednesday, following a meeting between O'Brien and Trump earlier in the month. Whether they support the Democrats or the Republicans, the union bureaucracies function as instruments of the ruling class, suppressing working class opposition to inequality, war and dictatorship.

The working class cannot and will not accept destitution. A counter-offensive against the onslaught on jobs must be initiated. But a real struggle can only be waged if it is conducted independently of the union bureaucracies, unites all sections of the working class, and is organized and coordinated across national borders. Such a struggle requires the expansion of the network of rank-and-file committees and the International Workers Alliance of Rank-and-File Committees.

The fight against job cuts and capitalist exploitation must be connected to the development of a powerful political movement of the working class against the ruling class, its corporate-controlled parties—including the Democrats and Republicans in the United States—and their policies of war, austerity and dictatorship.

The development of technologies like AI and robotics has the capacity to greatly increase mankind's productivity. If these labor-saving technologies are to be used for the benefit of society—by reducing the workweek and increasing living standards, not impoverishing the working class—then the giant corporations must be transformed into public utilities, collectively owned and democratically controlled by the working class, as part of the establishment of a planned socialist world economy.



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