

Tesla announces more than 14,000 layoffs as global attacks on jobs mount

Tom Hall
15 April 2024

Work at Tesla? Tell us how the layoffs are affecting you and your coworkers by filling out the form below. All submissions will be kept anonymous.

Electric vehicle company Tesla is cutting 10 percent of its global workforce, CEO and world's third-richest human Elon Musk announced Sunday night. The company has a global workforce of 140,000 people, meaning at least 14,000 people will lose their jobs.

"As we prepare the company for our next phase of growth, it is extremely important to look at every aspect of the company for cost reductions and increasing productivity," Musk said in a letter to employees. "There is nothing I hate more, but it must be done" to ensure the company be "lean, innovative and hungry for the next growth phase cycle."

There is staggering hypocrisy in this billionaire ignoramus, who made his fortune through speculation on the stock market and in cryptocurrency, telling workers their jobs must be sacrificed in the name of "efficiency." Musk and other ultra-wealthy individuals, who have seen their wealth soar since the start of the pandemic, are by far the largest waste of social resources on the planet.

The \$187 billion hoard which Musk personally controls is more than the gross domestic product of the country of Kuwait and nearly twice the annual K-12 schools budget of California. Musk runs his businesses Tesla, SpaceX and Twitter/X as personal fiefs, with the latter also serving as a sounding board for his extreme-right politics. Massive purges at Musk's companies are a semi-regular event. Tesla cut 10 percent of its white-collar workforce in 2022 and thousands of Twitter workers lost their jobs that same year almost immediately after Musk purchased the social media platform.

Many layoffs at Tesla began immediately Monday morning. *Business Insider* reports that plant workers in Nevada waited in line for two hours to clock in while management weeded out laid-off workers from the crowd. Others were told that if their badges didn't work that meant they no longer had a job.

Tesla itself, as far as Musk and its stockholders are concerned, is less of a car company than a speculative venture. The company has more than \$510 billion in market capitalization on the stock market, more than any other auto firm, despite controlling less than 2 percent of global auto sales. However, the company's sales declined for the first time since 2020 last year, to 1.8 million, and its massively overvalued market cap is down by around half since a high of more than \$1 trillion.

Worldwide attack on jobs

But the layoffs are not simply the product of greed and stupidity of Musk and Tesla's stockholders. They are part of a broader attack on jobs in industries across the world, spearheaded by the Biden White House, the US Federal Reserve and their counterparts in other countries. The aim is to weaponize high interest rates, sellout contracts rammed through by corrupt union bureaucracies and new labor-saving technologies to smash the growing resistance of the working class through mass unemployment.

The purpose of this is not only to protect corporate profits, but to free up resources for wars, including the spiraling conflicts in Ukraine and the Middle East and well-advanced plans for a war against China. Washington sees the global electric vehicle market in particular as a key battleground against China, which currently leads its western competitors. Earlier this year, Chinese car company BYD overtook Tesla as the world's largest EV manufacturer. Without Tesla, by far the largest American EV manufacturer, the US would be even further behind.

This same technology could and should be used to ease the burden of work, improve wages and rebuild the decaying social infrastructure. Instead, under the capitalist profit system, developments in science are being used to ramp up exploitation and inequality, demonstrating the totally irrational and obsolete character of this form of economy.

A report earlier this month by outplacement firm Challenger, Gray & Christmas found that US businesses announced more layoffs in March than any other month since the start of 2023. More than 90,000 job cuts were announced in March, bringing the total for the first quarter of the year to 257,254. That is more than twice the number of jobs cut in the fourth quarter of 2023.

The largest cuts were in the technology sector, which continues to lead the way in the jobs bloodbath as companies purge relatively better-paid tech workers as they move towards the utilization of artificial intelligence. Transportation and manufacturing were fourth and fifth place, with 15,746 and 9,214 cuts, respectively, up 483 percent and 726 percent over the same time last year.

Meanwhile, business news outlets are crowing that the "Great Resignation is Over," a reference to the tightening labor market and modest wage increases since 2021 which have emboldened workers to push for strike action.

The role of EV and AI in auto

The auto industry is a major center of the job cuts. Hundreds of thousands of global auto jobs are on the chopping block over the next several years as the industry moves rapidly towards electric vehicles, which requires less labor to produce, and to implement new automated technologies. The auto industry in the United States has already slashed thousands of jobs this year, including 200 supplemental workers at Stellantis in Detroit last week.

A recent front-page article in the *Detroit News* dealt in-depth with the implications of new automation technology which is also being introduced to the industry. “In 2022, the global automotive industry installed 135,000 new industrial robots, according to the International Federation of Robotics,” the paper said. “The only industry to surpass that installation rate was electronics.”

The article highlighted new automation being introduced by General Motors at its Fort Wayne Assembly plant, which resulted in 30 job cuts, as well as automation at parts warehouses. “That, however, is likely just a glimpse for what it is to come, say executives and other experts in the industry,” the *News* added. It cited a new factory in Singapore by Korean automaker Hyundai, where “about 50 percent of all tasks are completed by 200 robots with human collaboration.”

The role of the union bureaucracy

While Tesla in the United States is nonunion, the United Auto Workers has played a central role in helping the auto industry carry out mass job cuts, which have all taken place after a toothless “standup strike” last fall and a new contract with no provisions against cuts.

According to the *Detroit News* article, the only provisions on automation in the new contract are that it “must notify the local union about the introduction of ‘new or advanced technology’ to allow ‘meaningful discussion of its impact.’ If unresolved issues ensue, the contract does outline a grievance procedure.”

While the UAW has kept a guilty silence on the massive job losses, which it is in fact helping to carry out, UAW President Fain’s star is rising. He is making regular appearances with Joe Biden, including at last month’s State of the Union speech and at an official reception at the White House last week for the Japanese prime minister. This shows that the ruling elite sees the services of the union bureaucracy in reining in the working class as of key political importance.

This function is being performed by the union bureaucracy in every industry. UPS has announced more than 12,000 job cuts since the Teamsters union pushed through a sellout contract in similar fashion last year. The company recently outlined plans to close more than 200 facilities and “automate everything,” in the words of CEO Carol Tomé. Meanwhile, the Teamsters have hosted both Biden and Donald Trump at its headquarters this year as part of a series of “candidate roundtables.”

Workers are beginning to fight back against the job cuts, which require not just action against management but against the pro-company union apparatus, through the establishment of rank-and-file committees. In the auto industry, rank-and-file committees have been formed at plants throughout the Midwest, and a committee of laid-off Stellantis workers recently held a protest outside the UAW’s headquarters in downtown Detroit.

A key issue emerging in this fight is the control of new advances in automation and other technologies. These could be used in a progressive fashion only as long as workers, rather than the capitalist oligarchy, control them.

In a recent statement, the UPS Workers Rank-and-File Committee declared:

A dual power must be established in the workplace, where these committees oversee every aspect of operations, including production, health and safety. Against the bogus “right” of UPS to do whatever they want, which the Teamsters overseers uphold as holy writ, we must impose our will to protect jobs and our livelihoods.

No doubt UPS would object that our demands are “unaffordable” and that implementing them would only defeat the purpose of the new tech, which is to reduce their costs and increase profits.

But the bottom line can’t be decided by the interests of the handful of oligarchs and Wall Street firms that own UPS and other major corporations. If they are incapable of using the latest developments to improve our lives, but only to worsen them in order to enrich themselves, then they have no right to control these pillars of the economy.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact