

Tesla axes 14,000 jobs: Workers need a global strategy to fight against mass unemployment

Tom Hall**16 April 2024**

The announcement this week of 14,000 job cuts at automaker Tesla marks an escalation of the assault by the corporate oligarchy on workers' jobs. This is a global campaign by Tesla, which requires a globally coordinated response by the working class.

The cuts, equal to 10 percent of the company's workforce, are international in scope. German media reported Monday that the company aims to cut 3,000 jobs at its factory in Berlin, although the company has disputed this figure, without, however, denying that cuts will take place.

Since the start of 2023, millions of jobs have been slashed in industries all over the world, including over 978,000 jobs in the United States, according to Challenger, Gray & Christmas.

In the auto industry alone, recent weeks have seen 3,600 jobs cut by Stellantis in Italy and 600 in the United States, 3,500 cuts by parts supplier Bosch in Germany, and an extension by Ford of layoffs at its Oakville plant in Canada, where it is retooling, until 2027. Thousands of auto jobs were already cut before Tesla's announcement and hundreds of thousands more are targeted in the coming years as the industry moves towards less labor-intensive electric vehicles.

Massive cuts have been announced in other industries. In logistics, UPS announced plans to close 200 facilities and automate "everything," resulting in the loss of thousands of jobs. Polish Post will cut 4,500 jobs this year, while a restructuring plan is moving into high gear at the US Postal Service, with similar measures being carried out by postal services in the UK, Germany, Canada and many other countries.

In the technology sector, which is leading the pack in AI-driven cuts, Dell announced 6,000 job cuts, and Apple has announced more than 600 cuts in its latest round of layoffs.

Hundreds of positions are being threatened in school districts such as San Diego, California; Minneapolis and St. Paul, Minnesota; and Flint and Ann Arbor, Michigan, triggered by the cutoff of federal pandemic funding for education.

According to the official narrative, this jobs massacre is merely an unfortunate product of the ups and downs of the business cycle. In his letter to employees, Tesla CEO Elon Musk declared that cuts were necessary to prepare for the "next growth phase cycle."

In reality, they are the product of a deliberate policy worked out at the highest levels. The aim is to beat back, using the whip of mass unemployment, the expanding challenge from the working class expressed in a wave of strikes and social protests all over the world.

Washington is using a three-pronged approach to try to deal with the working class at home. First is the hiking of interest rates over the past two years by the Federal Reserve, which it has explicitly said is intended to curb modest wage growth. Second is the use of automation, artificial intelligence and other new technologies to eliminate whole swathes of the workforce.

Third is the use of the pro-corporate union bureaucracy to prevent or limit strikes and impose sellouts. While Tesla is nonunion in the United States, the United Auto Workers' sellout contract, following a toothless "stand-up strike" last fall, has been critical in helping enforce mass cuts by the Detroit automakers. Countless other betrayals have been carried out, including by the Teamsters at UPS, which also rammed through a contract to pave the way for job cuts.

Another major aim of the jobs bloodbath is to free up resources for war. Last month, the US passed a record \$825 billion military budget, and preparations are well

advanced for new wars against Iran and China. This is not limited to the US, but includes all of the imperialist powers.

Germany and Japan are remilitarizing. The governments of all the “advanced” countries are combining austerity measures with increased military spending, while declaring that their populations must get ready for war.

The assault on jobs is aimed at making workers pay for the deep crisis of the capitalist system. This week’s spring meeting of the International Monetary Fund is dominated by concerns over global indebtedness, inflation and the stability of the US financial system. The byword at the meeting and in the IMF’s Global Economic Outlook is “fiscal consolidation”—that is, brutal austerity. This is being paired with automation to ramp up exploitation to ever higher levels.

These attacks on the social position of the working class require dictatorial forms of rule. In a press briefing Monday, a top IMF official hailed huge cuts in Argentina by the fascist president Javier Milei as “really impressive.”

Similar trends towards dictatorship have emerged in all capitalist countries, especially the United States. In his own crude way, Musk, the cryptocurrency king and fascist sympathizer, expresses the authoritarian outlook of the American financial aristocracy.

Billionaires preaching the need for “efficiency” are, by far, the biggest waste of society’s resources. The world’s billionaires—2,781 people—own \$14.2 trillion in wealth, more than half of US GDP, according to the latest numbers from *Forbes*.

A report this January by Oxfam found that the wealth of the world’s five richest men has more than doubled since 2020—a period of time that has seen the preventable deaths of more than 20 million from COVID-19—while five billion of the Earth’s population have been made poorer.

Workers must draw the necessary conclusions. The fight against the global jobs massacre requires the development of a similarly unified global movement of the working class on the basis of its common interests.

The International Workers Alliance of Rank-and-File Committees is being built as the leadership of such a movement, corresponding to the needs of the class struggle in the 21st century global economy.

A critical element in this global struggle is the fight

against war. Workers cannot allow themselves to be divided by the national conflicts being stoked up by the ruling class. This is what the trade union bureaucracy, which functions as nothing more than an extension of the government, is attempting to do.

UAW President Shawn Fain has made repeated appearances alongside President Biden at which “Genocide Joe” invokes the war economy during World War II as the example for today and calls on Americans to build aircraft carriers and tanks.

Above all, what is required is a socialist program. Capitalism is an obsolete economic system that is incapable of harnessing new technologies and other advances for the benefit of society. Musk and his fellow oligarchs must be expropriated, together with the banks and major corporations, and these assets placed under the democratic control of the working class. The advances in automation and AI should be used to ease the burden of work and fund vast improvements in people’s lives, eliminating hunger, war and poverty.

That is the program the *World Socialist Web Site* and the International Committee of the Fourth International fights for.



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