

GM closes Colombia and Ecuador plants as UAW and other bureaucracies remain silent

Andrea Lobo
1 May 2024

General Motors announced on Friday the closure of its manufacturing plants in Colombia and Ecuador, eliminating thousands of jobs as part of the transition toward electric vehicles.

The automaker immediately removed workers and closed the Colmotores plant in Colombia, which was the first auto plant in the country, founded in 1956. The nearly 850 workers at the plant were then called to meetings at several hotels in the capital Bogotá on Friday night where management pushed them to sign “voluntary” resignations and agree not to sue the company in exchange for a payment package. Many refused to sign and were fired, according to *Semana*.

Industry chiefs have warned that tens of thousands of jobs across the supply chain in Colombia could be eliminated from the knock-on effects.

GM said it plans to close its OBB plant in Quito, Ecuador, in late August. It was founded in 1975, in August, and still employs 450 directly. Thousands of jobs depend on the assembly plant, as 25 of the 50 auto-parts factories in the country supply it.

Since both the Colmotores and OBB plants served markets domestically or in neighboring countries, analysts have pointed to a major drop in living standards and car purchases, aggravated by inflation and high interest rates, as a factor in the closures.

Employer groups in Ecuador also blame a free trade agreement with China that enters into force today, May 1, which reduces the cost of importing Chinese vehicles and other goods. The Chinese-owned Motor1 motorcycle assembly plant in Quito also plans to shut down, costing about 100 jobs.

GM itself says it was operating at 9 percent and 13 percent, respectively, at its plants in Colombia and Ecuador, and that “numbers did not add up.” Shilpan Amin, president of GM International, added that the decision is part of the shift toward “more advanced

technologies” and “zero-emissions” vehicles.

Whatever savings are made from eliminating the livelihoods of thousands of families in Colombia and Ecuador will end up in the bank accounts of the financial oligarchy. The decision came days after GM reported a 7.6 percent increase in revenue to \$43 billion and an 18.6 percent increase in earnings per share, much higher than expected. Last November, the company handed out \$10 billion to shareholders in buybacks.

The Colmotores workforce had already been more than halved in the past 15 years and continued to be reduced even after adding a heavily automated stamping area in 2013. And besides being able to carry out mass layoffs and cuts to real wages in recent years, GM enjoyed major tax incentives within a “free trade zone” in Bogotá.

At one point, there were four active trade unions in the Colombian factory, but none tried to mobilize any actual resistance to the shutdown. The most active is the Union of Ailing General Motors Workers (UTEGM), which was established in 2016 by dozens of workers who had suffered work-related injuries and illnesses and were facing threats of firings. In response to the closure of the plant, the UTEGM leadership merely appealed to the government to guarantee severance pay and stated: “We can’t stop the company from closing. It’s inevitable, but it was an expected outcome.”

Meanwhile, the Ministry of Labor under pseudo-leftist President Gustavo Petro has taken no measure against the company as it shuts down and bullies workers into “voluntary” resignations.

In Ecuador, none of the trade union bodies or major political parties has protested the closure of the OBB factory.

There are growing indications that the Alvear plant near Rosario, the last GM factory in Argentina, could suffer the same fate. With one remaining model, the Chevrolet Tracker, the company suspended all production from last

December to March and stopped again for the last week of April. After 130 “voluntary retirements” last December, the remaining 1,000 workers receive only 79 percent of their pay during stoppages, amid a deepening economic crisis and nearly 300 percent inflation.

GM has announced new investments in Mexico and Brazil, where it maintains numerous assembly, stamping, engine and parts factories, including one entirely repurposed for electric vehicle production in Ramos Arizpe, Mexico. However, the decision to cut back in cheap labor areas in South America is a warning about imminent attacks against jobs everywhere.

The trade union bureaucracies refuse to move a finger

As of this writing, amid announcements to celebrate the day of international working class solidarity on May Day, no trade unions outside of Colombia have made any statements opposing the closures. This includes the United Auto Workers (UAW) in the United States, the SMATA in Rosario, the pseudo-leftist CSP-Conlutas or the right-wing Força Sindical federations that control the unions at GM Brazil, or the so-called “independent” union SINTTIA and the gangster-ridden CTM in Mexico.

This cannot be explained by the corruption of this or that union leader or organization.

Throughout the world, all trade unions have responded to globalization—the ability of capital to move swiftly across national boundaries in search of more profitable conditions—by becoming arms of management and enforcing massive concessions on jobs, wages, and benefits in order to “save” the factories and local “competitiveness.” But when closures take place, they suppress or isolate any struggle, while employing nationalist poison to pit workers against each other along national lines.

The same treachery prevailed when Ford announced that it would end manufacturing operations in Brazil and India in 2021 and when the company moved to shut down its plant in Saarlouis, Germany, after a bidding war with the Almussafes factory in Spain.

More recently, Caterpillar effectively shut down its manufacturing plant in Tamaulipas, northern Mexico, and refused to pay any severance or negotiate with the 400 workers after they voted for a new trade union. UAW President Shawn Fain issued a video statement in early

April claiming to “stand with you” but has refused to move a finger to organize actions among US Caterpillar workers to bring the company to heel.

Responding to orders from the handful of financial groups that own them, which are like insatiable vampires, the car multinationals are desperately moving to compete in new markets like electric vehicles and implement new technologies like robotics and artificial intelligence.

There are also pressures to reshuffle supply chains in response to the first shots of another world war. The US government is openly encouraging US-based companies like GM to “nearshore,” i.e., move production closer and away from Asia as Washington prepares for a military conflict with China.

While the trade union bureaucracies internationally protect their privileges by serving the transnational corporations and their respective capitalist governments, workers in Colombia, Ecuador and across the Americas must organize independently and unite behind a global strategy in defense of their jobs and livelihoods.

The International Workers Alliance of Rank-and File Committees (IWA-RFC) is organizing this struggle, which requires a fight to end the capitalist profit system. All major corporations globally must be transformed into democratically managed public utilities that can employ the new technologies to reduce the workweek and meet the needs of all humanity, not for increasing exploitation, boosting profits and waging war.



To contact the WSWs and the Socialist Equality Party visit:

wsws.org/contact