Stellantis CEO Carlos Tavares forced out as global automakers escalate job cuts

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Carlos Tavares, who has been the chief executive officer of Stellantis since its January 2021 formation through the merger of Groupe PSA and Fiat Chrysler, resigned Sunday. Tavares was forced out a year before the end of his contract due to falling profits and share values and what appears to be his failure to cut costs quickly enough for Wall Street and European investors.

"Previously regarded as one of the most respected executives in the auto industry," Reuters reported, "Tavares came under strong criticism earlier this year after Stellantis issued a profit warning on its 2024 results, including a forecast for a cash burn of up to 10 billion euros, mostly blaming slow sales and bloating inventories in its key North American market."

After posting record net profits of $20 billion in 2023, profits fell by half in the first six months of 2024. Since the beginning of the year, Stellantis shares have lost around 40 percent of their value.

Tavares followed in the footsteps of his mentor at Renault-Nissan, CEO Carlos Ghosn, who earned the nickname "Le Cost Killer." After assuming the position of CEO of Groupe PSA in 2014 he closed Peugeot, Citroen and Opel plants in France and other European countries and prepared the company for its merger with FCA.

Since the initial tie-up of the two companies in December 2019, Stellantis has reduced its global workforce by 15.5 percent, or roughly 47,500 employees through 2023 according to public filings. This does not include this year's mass layoffs in the US, Italy, Poland, the UK and other countries.

Control of operations will now be in the hands of an Interim Executive Committee, chaired by John Elkann, the chief heir of the Agnelli family in Italy, which owns a controlling stake in Stellantis, Ferrari, CNH Industrial, Iveco Group, Juventus FC and The Economist Group. Thanking Tavares for his role in "the creation of Stellantis, in addition to the previous turnarounds of PSA and Opel," Elkann said a new CEO would be appointed by the first half of 2025.

Acknowledging the conflicts over the direction of the company, Henri de Castries, Stellantis' senior independent director, issued a press release stating that "in recent weeks different views have emerged which have resulted in the board and the CEO coming to today's decision."

Tavares has described the increasingly brutal struggle by European and US-based automakers to catch up to the better equipped and lower-costing Chinese EV producers as a "Darwinian" struggle, which would leave only a handful of global automakers standing. Like other auto executives, he sought to transfer the high costs of the slower-than-expected transition to EV production by slashing labor and supplier costs and maximizing per-unit profits through price increases on the most profitable vehicles.

But this has been disrupted by the impact of the economic and social crisis, which has led to all three US-based automakers to report falling third-quarter sales due to weaker consumer spending and higher interest rates. On top of this, the incoming Trump administration has announced plans to eliminate EV subsidies and impose crushing tariffs that will increase automaker costs.

The firing of Tavares will not resolve this crisis. In a revealing statement, Sam Fiorani, vice president of global vehicle forecasting for AutoForecast Solutions, told the *Detroit Free Press* the next Stellantis CEO would have to wield the cost-cutting axe even more fiercely, even if it means provoking widespread opposition from rank-and-file workers.

"With Stellantis still trying to digest four combined automakers, heading up the company has to be one of the most difficult positions in the industry. It is an unenviable position and likely one that can't be done without plant closures, brand consolidation, and job cuts. Tavares was destined to be the enemy of the factory workers or the enemy of the stockholders as it was impossible to come out of this with both sides happy. His successor will also face the same issues with the same likely outcomes," Fiorani said.

Tavares was thus seen essentially as spent goods. By removing this lightning rod for worker anger the Stellantis board hopes to facilitate the collusion of the UAW and the Italian and UK unions with management's ongoing restructuring and cost cutting program.

True to form, the United Auto Workers bureaucracy is trying to disarm workers by claiming Tavares' replacement would be a godsend. UAW President Shawn Fain praised the firing of Tavares as a "major step in the right direction for a company that has been mismanaged and a workforce that has been mistreated for too long." Pointing to the union's appeals to management to replace Tavares, Fain added, "We are pleased to see the company responding to pressure and correcting course."

"We look forward to new Stellantis leadership that respects hardworking UAW members and is ready to keep its promise to America by investing in the people who build its products," Fain said. "We are looking forward to sitting down with the new CEO," the UAW president concluded, "and discussing their plan to keep making world-class vehicles here in the United States."

As part of its phony "Keep the Promise" campaign, which consists of impotent grievance filings and threats of an unspecified strike sometime in the future, Fain has promoted nationalist poison, claiming the job cuts were due to the Portuguese-born Tavares' disdain for American workers and his transfer of production to Canada and Mexico.

At the same time, Fain has claimed US-based GM and Ford are "doing just fine" even though both companies have laid off workers after the sellout contracts the UAW bureaucracy signed in 2023 after its bogus "Stand Up" strike.

The job cuts in the US, moreover, are part of an international wave of job cuts by the global automakers.

• Stellantis is threatening as many as 12,000 jobs in Italy, has just shut an engine plant in Poland and is threatening to close two Vauxhall plants in the United Kingdom.

• Last month, Ford has announced 4,000 job cuts in Europe, including 2,900 in Germany. VW is threatening to close three plants in Germany, eliminating up to 30,000 jobs and impose a 20 percent pay cut on its 120,000 workers in the country. Bosch, the world's biggest auto supplier, has also announced 5,500 layoffs.

• Nissan is cutting 9,000 jobs globally and VW, GM and other automakers are cutting tens of thousands of jobs in China.

The global scope of the job cuts, not only in auto but in tech, logistics, retail and other industries, makes it clear there is no national solution for workers of any country. The reactionary nationalism of Trump and his calls for tariffs against Mexico, Canada, Europe and China—which is completely in line with the national chauvinism of the UAW bureaucracy—is a dead end for the working class.

Autoworkers are linked in a single, global process of production. Any effort to drag the productive forces back into a "Fortress America" will only lead to trade war, global economic collapse and world war, just as it did after the passage of the Smoot-Hawley Tariff Act in 1930. At the same time, the fostering of national divisions, like the whipping up of anti-immigrant chauvinism and moves to deport immigrant workers, serves to divide and weaken the working class in the face of the unbridled class war, which the incoming Trump administration is preparing against the social and democratic rights of all workers.

The fight to defend the right to a good paying and secure job for all workers requires the building of rank-and-file committees in every factory and workplace to transfer power from the union bureaucracies to the workers on the shop floor. Under the direction of the International Workers Alliance of Rank-and-File Committees, these organizations of working class self-determination, which are already being built across industries and around the world will coordinate the fight against job cuts across national borders.

An industrial counteroffensive must be fused with a conscious political struggle to put an end to the capitalist profit system, whose historical bankruptcy is being revealed in the fact that workers around the world are being condemned to unemployment and poverty because they are supposedly producing "too much." Under socialism, the giant industries, including the global auto industry, will be converted to publicly owned utilities so the wealth produced by the collective labor of the working class can be used not only to guarantee economic security but to shorten the work week and sharply increase living standards.

To learn more about building a rank-and-file committee at your plant, fill out the form below.