Michigan autoworkers face wave of layoffs as UAW bureaucracy enforces corporate restructuring

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A late-year spike in layoffs and plant closures in auto parts across the state of Michigan and beyond is an expression of a global economic crisis that anticipates a wave of job cuts throughout the automotive industry, and manufacturing more broadly, in the new year. Layoffs and plant closures will hit salaried and hourly workers, union and non-union, from smaller suppliers to major automakers in urban, suburban and rural communities.

The auto-related layoffs announced thus far in Michigan are one expression of a major restructuring taking place in the global automotive industry.

Last week Nexteer Automotive announced hundreds of permanent layoffs at its Saginaw, Michigan complex. The layoffs follow within months of the UAW imposing a sellout contract that workers had previously rejected on three occasions the first by 96.2 percent — and voted 86 percent to authorize a strike, which the UAW refused to call. Laid off workers will be offered a chance to apply for part time positions at $27 an hour, with no vacation or benefits, creating in effect a new low wage tier of workers with few if any rights.

These cuts were preceeded by the announcement by Dakkota Integrated Systems LLC announced of the closing of two of its Michigan assembly and sequencing plants by year’s end, eliminating nearly 470 jobs. The Detroit facility will cut 397 jobs, with an additional 67 jobs cut in Lansing.

Other recent layoff announcements include:

• Inalfa Roof Systems Inc., a manufacturer of vehicle sunroofs, will eliminate 142 jobs by December 14, 2026, with the closure of its North American headquarters and a nearby manufacturing plant, both in Auburn Hills, suburban Detroit. This follows the previous layoff of 127 workers at facilities in the state of Georgia in July.

The layoffs may be related to pressure from the federal government on automakers to eliminate ties with suppliers connected to Chinese state-backed companies. Formerly Dutch-owned, Inalfa was purchased by a subsidiary of Beijing Automotive Group in 2011.

• ADAC Automotive is a Tier 1 supplier of interior and exterior door handles and associated components, founded in 1975. It is owned and operated by the Teets family, and claims to be “woman-owned” since 2012. ADAC is eliminating 98 jobs with the closure of its 90,000-square-foot manufacturing facility in Saranac, a rural community outside Grand Rapids, between December 18, 2026, and June 30, 2027.

• Detroit Chassis, LLC, producer of motorhome chassis, commercial step vans, and complex sub-assemblies, announced 175 “temporary” layoffs beginning December 31.

• Woodbridge Group, a global supplier specializing in polyurethane and foam for automotive seating and other interior and exterior trim and components, announced a “temporary” layoff of 100 workers in the state capital, Lansing, beginning December 18, 2026, due to the loss of a contract relating to retooling at nearby General Motors facilities.

• J.G. Kern Enterprise, Inc., a decades-long supplier of precision CNC machined components to Ford and other automotive and industrial manufacturers, will shutter its nearly 200,000-square-foot facility in Sterling Heights, a northern suburb of Detroit. The permanent shutdown will eliminate 156 jobs, due primarily to the loss of a production contract with Ford. UAW Local 228 officials have remained silent.

• Lear Corporation, a major seating and interiors supplier based in suburban Detroit, announced the closure of a Sterling Heights facility impacting 67 jobs on November 9, 2026. Rather than fully closing the site, however, it will serve as a “blueprint” for the automation of its manufacturing process. CEO Raymond Scott told investors on an October 30, 2026 earnings call, “We expect automation to reduce the conversion cost requirements by 10 percent to 15 percent — the more important story is what this

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represents strategically."

In other automotive layoffs:

• General Motors will lay off 350 workers beginning January 14, 2027, across at least two Lansing-area assembly and stamping plants.

• Rugged Liner, a producer of aftermarket truck bed liners, announced the closure of two sites in Owosso, eliminating 90 jobs in the rural community between Lansing and Flint.

The above companies all issued Worker Adjustment and Retraining (WARN) notices to state officials, but Nexteer seeks to artificially decrease its layoff numbers with a scheme to "voluntarily" turn its employees into part-time gig workers with no healthcare or job protections.

"Where possible, we seek to place employees in other positions based on business needs and in accordance with our collective bargaining agreement, helping to minimize the impact on them and the community," Jill Dralle, Nexteer Automotive's vice president and USA division president, said in a statement. That such a scheme is "in accordance with our collective bargaining agreement" testifies to the treacherous role of the UAW bureaucracy, from Local 699 up to Solidarity House and Fain.

The UAW has demonstrated in action that it is a cheap-labor contractor and enforcer of company dictates rather than an organization of defense, let alone advancement, of workers' interests. At Nexteer, neither the company nor Local 699 has said how many jobs will be affected, less than five months after the sham voting process that passed a contract on the fourth vote despite broad resistance rooted in the rank-and-file.

A similar situation may be underway at Dakkota Integrated Systems, as workers have expressed concerns that the closure of the plants in Detroit and Lansing was not due to the unfortunate loss of a contract with Stellantis and the retooling at the General Motors plants, but a conscious effort to break the contract and reopen the plant under a new business entity. Local 155 has remained silent.

The simultaneous closure of both facilities, supposedly for unrelated reasons, is suspicious. Workers are correct to question the behind-the-scenes deals worked out in corporate boardrooms. Since the parts divisions were spun off from the major automakers, parts workers have been the subject of a corporate shell game of endless joint ventures, holding companies, mergers, and acquisitions.

Corporate CEOs play a system rigged in their favor, leveraging these endless restructurings to shift costs and risk onto workers.

The mass layoffs now beginning in Michigan are symptomatic of a broader crisis that is spreading throughout the global industry. Schaeffler, the German supplier, announced on November 3 that it would eliminate a net 3,460 jobs across Europe and close five manufacturing sites. Volkswagen and other European automakers and parts suppliers have already announced tens of thousands of redundancies.

The restructuring of the global auto industry is subject in part to the uncertainty surrounding the redivision of the global economy and the metastatic spread of imperialist war that is underway. The electric vehicle (EV) transition is proceeding slower than originally envisioned by automakers. Upheavals stemming from the expansion of AI data centers and imperialist war, both in Europe and the Persian Gulf region, continue to rock energy markets.

Trade war and national protectionism restrict the flow of goods in a transnational production and supply chain. The chief source of instability continues to be the decades-long collapse of the global position of the US and the unsustainable debt that floods its balance sheet.

The layoffs are not a response to "market conditions" but a deliberate transfer of the costs of the global crisis onto the working class, while the corporations retain the socially produced wealth.

For workers to stop the escalating assault on jobs, they must organize independently in rank-and-file committees across local, state, national, and international lines, to assert their independent interest as the only progressive force in modern society. Such a fight cannot be organized by the corrupt union apparatus or the political parties of the ruling class. Workers must fight for a socialist program that organizes production democratically to meet the needs of all.

The ruling class is prepared to upend the entire global economy to retain the socially produced wealth it privately controls. Major shocks are inevitable, but the outcome is not predetermined. The fight to defend jobs must be built as the fight to build the International Workers Alliance of Rank-and-File Committees.

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