

# Layoffs in global auto industry hit Mexico, India, China and the US

By Jerry White  
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A rolling wave of layoffs in the global automotive industry is hitting workers on virtually every continent. A survey of recent headlines from auto industry and other news publications yields a grim picture of the relentless job-cutting.

**“Tens of thousands losing jobs as India's auto crisis deepens,”** writes Reuters, reporting on 350,000 auto assembly and parts workers who have been cut in recent months during India's worst sales downturn in a decade. Maruti Suzuki has halved its production targets and is laying off six percent of its temporary workforce, with analysts predicting that up to a third of the three million workers employed in the industry nationwide will be dismissed.

**“Shrinking Chinese car market sparks fears over foreign groups' future,”** reports the *Financial Times*, noting that Chinese plants owned by Ford and PSA are running at 11 percent and 1 percent capacity, respectively, and some 220,000 workers have lost their jobs in China's first sales decline in three decades.

**“Bosch sees stagnating sales, job losses as auto industry slows,”** declares an *Automotive News Europe* article, citing an executive from the German-based auto parts conglomerate, who says, “Our plans foresee a stagnation in vehicle production in the coming years ... the tailwind is gone.” Volkswagen has already announced 7,000 white-collar job cuts, and Daimler, Siemens and others are expected to follow suit.

**“UK Auto Industry Facing a Slow Death,”** CNN reports, noting that the industry is facing its worst crisis since the 1970s, with production dropping by a fifth in the first half of the year and investment falling 70 percent.

A Reuters article headlined **“Warning light flashing for Slovakia's auto industry”** describes the fate of 3,000 workers laid off at Volkswagen's plant in Bratislava, which “has sent shockwaves through Slovakia, the world's biggest car producer per capita.”

In the US, GM shut down the 78-year-old Warren Transmission plant in suburban Detroit last week, following on the closure of the Lordstown, Ohio assembly plant and

the Baltimore transmission plant. The Oshawa, Ontario plant is set to close at the end of the year, and the Detroit-Hamtramck assembly plant faces closure in January 2020.

In Mexico, at least 650 out of the 1,800 workers at the General Motors assembly plant in San Luis Potosí, 250 miles northwest of Mexico City, will lose their jobs on August 12 when the company reduces the number of shifts from three to two, according to information recently cited by the Unifor union in Canada.

Antonio, a worker at the GM plant in Silao, Mexico, told the *WSWS Autoworker Newsletter*: “I've been investigating here in Silao, but there is no information about layoffs at SLP (San Luis Potosí). There is total silence from the union. The firings are yet another assault against workers—stock owners always looking after their capital. We need to fight together in order to have more strength.”

Another Silao worker, who preferred to remain anonymous, said that pressure from GM management and speed-up have increased recently. “The other detail is about how small our bonuses have been,” he added, explaining that this has led “several workers to resign.”

On August 1, Mexico's National Chamber of Transformation Industries (Canacintra) reported that Volkswagen had laid off 2,000 workers over the previous 30 days as a result of the termination of production of a model. The Mexican Association of Auto Distributors announced on July 31 that Nissan Mexico was carrying out a “deep restructuring” in response to a fall in sales of 15 percent in the first semester of 2019. In January, the company carried out 1,000 layoffs at assembly plants in Aguascalientes and Morelos. The Mexican economy is in near-recession, with job creation during the first semester of 2019 at the lowest point in a decade.

The Chevrolet Equinox crossover produced at the San Luis Potosí factory is also built by Canadian workers at GM's CAMI plant in Ingersoll, Ontario. The 2,800 workers there are also being hit by layoffs the week of September 30, and more are slated for the final quarter of 2019.

With the pig-headed nationalism typical of the union bureaucracy, Mike Van Boekel, the Unifor president at the Ingersoll plant, boasted that GM Canada had told him the layoffs in Canada would be temporary, while the shift elimination in San Luis Potosí would be permanent. “Unfortunate for the Mexico plant, but it’s good news for us at least that we’re not losing the shift,” he told a local radio station.

In late 2017, workers at the CAMI plant fought a bitter month-long strike against GM’s demands for increased wage and benefit concessions. The day after GM threatened to shift Equinox production to Mexico, Unifor shut the strike down and signed a sellout contract. Opposed to a common struggle by autoworkers across North America, Unifor then responded to GM’s announcement that it would close the Oshawa assembly plant by launching a racist campaign calling for a boycott of “Mexican cars.”

There is no such thing as a “Mexican” car, any more than there is a “Canadian,” “American” or “Chinese” one. The global auto industry is an interconnected whole, involving the labor of tens of millions of production workers, engineers and technicians around the world, in addition to the workers who extract the raw materials, all of whom contribute to the building of what are, in fact, world products.

It is impossible to fight the global onslaught of the transnational corporations on the basis of the narrow nationalist program of Unifor, the United Auto Workers, IG Metall in Germany, the CTM in Mexico or any other union. In opposition to the global strategy of the corporations, autoworkers must develop an internationally coordinated response to defend the jobs, working conditions and living standards of workers around the world.

Under the whip of the financial markets, the global automakers are embarking on yet another wave of mergers and acquisitions to bolster returns to their richest shareholders. Through increasing tie-ups, including Ford-VW and renewed talks of a Renault-Fiat Chrysler merger, the corporations hope to counteract falling sales by expanding into the markets of their former rivals and creating economies of scale to close “redundant” factories and share the immense costs involved in the brutal struggle to dominate new technologies, including electric and self-driving vehicles.

While electric vehicles (EVs) make up only a tiny portion of current world sales—around 1 percent in the US—analysts say this will rise to about 10 percent in the mid-2020s and over 50 percent by 2040. As of January 2019, global automakers had committed over \$300 billion to electrification, according to a recent report by the United Auto Workers union.

Due to the much reduced mechanical complexity of EVs—the electric transmission of the Chevy Bolt, for example, has 80 percent fewer moving parts than a traditional internal combustion engine transmission—Ford is telling investors that EVs could lead to a 30 percent reduction in labor hours per unit. This could lead to the elimination of 35,000 powertrain workers in the US over the next several years, according to the UAW, and traditional automakers could outsource the production of lithium batteries, electric motors, automotive electronics, advanced braking systems and other new technologies to low-wage manufacturers within or outside the US.

The UAW has predictably responded to this threat by offering to work with the corporations and the US government to create a “new industrial policy” to beat back China, which, the union laments, “is expected to be home to 62 percent of global lithium-ion battery manufacturing capacity by 2023.” This includes a trade war policy that treats advanced vehicle technology as a “strategic sector to be protected and built in the US.”

This policy, which is identical to that of Trump, divides the international working class, encouraging a fratricidal race to the bottom and dragooning workers behind their “own” capitalists as the rival nationally-based ruling elites prepare to drag mankind into another world war—this one producing a thermonuclear holocaust.

The past decade has seen an increasing wave of struggles by autoworkers. This includes Toyota and Honda workers in China (2010); Maruti Suzuki workers in India (2011-12); Hyundai and Kia workers in South Korea (2013); Renault workers in Turkey, Mercedes-Benz and other workers in Brazil and Fiat Chrysler, GM and Ford workers the US (2015); BMW workers in Britain and Ford workers in Romania (2017); VW and Daimler workers in Germany (2018); VW workers in Hungary and auto parts workers in Matamoros, Mexico (2019).

These growing struggles must be coordinated and guided by an international strategy aimed at uniting every battalion of the working class against the transnational corporations and replacing the capitalist system with a scientifically and democratically planned world socialist society.

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