US jobs report: 11,000 US auto jobs lost in January

By Jessica Goldstein
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The US economy shed 11,000 auto and auto parts jobs in the month of January, according to the Bureau of Labor Statistic’s monthly report released last week. This represented almost all of the 12,000 jobs lost in the manufacturing sector as a whole. Over the last 12 months, 24,000 jobs had been eliminated in the auto industry, according to the bureau’s report.

January’s figures show that the jobs bloodbath in the auto industry is continuing unabated after the United Auto Workers’ sabotage of the General Motors strike last fall. The union, which is embroiled in a massive bribery and corruption scandal which has implicated much of its top leadership, forced through a sellout contract after isolating the strike which ratified the closure of four GM facilities. A fifth, Detroit-Hamtramck Assembly, is slated to idle for the 18 months starting at the end of February.

The union’s betrayal of the GM strike paved the way for similar sellout deals at Ford, which will close its Romeo Engine plant in Michigan in 2022, and at Fiat Chrysler, whose Marysville Axle plant may close next year.

While General Motors is carrying out forced overtime at many plants in order to make up for production lost to the strike, Ford and Fiat Chrysler are carrying out temporary layoffs and plant shutdowns throughout the country. Ford recently announced temporary layoffs at Chicago Stamping Plant in Chicago Heights, Illinois, and is cutting hours at its Chicago Assembly Plant on the south side of Chicago.

Fiat Chrysler (FCA) offered buyouts to 3,900 workers at its Belvidere Assembly plant at the end of January, fueling fears that the plant is preparing to close completely. The company laid off 1,371 workers last May after cutting a shift at the plant.

Both US-based and foreign automakers and suppliers are in the midst of a jobs purge in response to a slowdown in the global industry and to prepare for the introduction of electric and self-driving vehicles, which require far less labor to produce. General Motors ended production at its Oshawa plant in Ontario, Canada, in December, and Ford laid off 400 workers at its Oakville, Ontario, plant last week.

Ford announced in 2019 that it would close plants across Europe, including one factory in Blanquefort, France, three factories in Russia later that year, and its engine plant in Brigend, Wales, in the United Kingdom in 2020. This was in addition to 7,000 white collar job cuts announced last year. The company, already under strain from investors and credit rating agencies to quicken the pace of its “global fitness” program, has now been thrown into a deep crisis by its disastrous 2019 financial performance.

In Germany, Volkswagen announced plans to cut 20,000 jobs in Germany. The IG Metall has indicated its willingness to support these cuts, and is also helping Daimler, the parent company of Mercedes-Benz, to slash 10,000 jobs in Germany by the end of 2022.

While tens of thousands of autoworkers have already lost their jobs in the United States and Europe, the bulk of the layoffs last year took place in India (350,000) and in China (220,000). Chinese auto sales, which had experienced decades of uninterrupted growth to become the world’s largest auto market, suffered its first decline in a generation in 2018, due in large part to the impact of the Trump administration’s trade war measures.

The coronavirus outbreak, which has caused extended plant shutdowns in China’s “motor city” Wuhan, has wreaked havoc on global auto supply chains. The Trump administration is attempting to utilize this public health crisis to pressure companies into shifting to suppliers outside of China. "The fact is, it does give business yet another thing to consider when they go through their review of their supply chain," Commerce Secretary Wilbur Ross told Fox News. "So, I think it will help to accelerate the return of jobs to North America."

More broadly, the January jobs report points to a continuing economic stagnation confronting American workers. Just 225,000 new jobs were added to the US economy in January according to US Bureau of Labor Statistics (BLS) monthly Employment Situation released last Friday, compared to 304,000 added in January 2019.

The majority, a total of 144,000 jobs, were added in primarily low-wage, precarious sections of industry. Unemployment rose slightly to 3.6 percent, still slightly lower than last January, when it was 4.0 percent. However, for roughly a decade the official unemployment rate, which does not count the underemployed or those discouraged from looking for work, has grossly underestimated the actual state of unemployment. The number of long-term unemployed (without work for 27 weeks or more) and those who have given up looking for work is increasing, from 19.3 percent of the total unemployed in January 2019 to 19.9 percent of the total unemployed in January 2020.

Wages rose by a mere $0.07 per hour to an average of $28.44. However, this figure masks widening income inequality. Around 44 percent of US workers earn low wages under $16.00 per hour. Low-wage employment dominated job growth in January. Construction work rose by 44,000 jobs, leisure and hospitality by 36,000 and transportation and warehousing by 28,000.

The BLS also reported that the year 2019 saw the greatest number of major work stoppages (strikes) in the US out of any year in the past decade. There were 425,000 workers who participated in strikes, with the majority of workers who were on strike in the education sector. The longest strike with 29 lost working days was the strike of General Motors workers in September through October. The systematic destruction of higher-paid manufacturing work and its replacement with low-wage, precarious work is one of the many factors fueling the growth in opposition to capitalism among American workers.

The growing strike wave in the US is a part of the resurgence of the class struggle worldwide, throughout the Americas, Asia, Europe and Africa. The fight against corporate rule and to protect jobs requires a strategy to link all of these struggles of rank-and-file workers under an international and socialist program, in contrast to the pro-corporate nationalism of the trade unions in every country.