

As the UAW prepares to suppress US auto strike, GM and Mercedes-Benz announce new round of layoffs in Brazil

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As the auto workers' strike directly confronts major transnational auto corporations and the Joe Biden administration in the US, the UAW continues limiting the strike to a handful of plants, and preparing a sellout deal against the will of the majority of workers who want an all-out strike in the auto industry.

Far from being limited to the US, unions around the world have suppressed the struggles of the working class, collaborating with companies and the capitalist state in increasing unemployment and reducing workers' living standards. As a result, workers' struggles in recent years have turned into a rebellion against corporatist unions.

In Brazil, capitalist globalization led to massive plant closures starting in the 1990s, which was overseen both by the "new unionism" associated with the CUT, the trade union federation controlled by the Workers Party (PT), and by the old labor and Stalinist leaderships who in 1991 created Força Sindical union federation to defend neoliberal policies of attacks on workers and "modernize" labor relations.

This process brought together US and Brazilian unions, who began to fear that the deindustrialization process that Detroit had undergone could be repeated, particularly in the industrial region of ABC, in São Paulo, the political birthplace of the PT and CUT.

This relationship led to the leaders of the CUT, Força Sindical and other Brazilian unions issuing a joint statement on September 18 in "solidarity with the workers' strike against automakers in the US." A day later, Luiz Marinho, the labor minister of the PT government of President Luiz Inácio Lula da Silva -- both of them former presidents of the ABC's Metalworkers Union (SMABC) -- met with officials of the UAW Region 9A "to offer support and solidarity on behalf of President Lula."

Marinho and Brazilian union leaders went to the US to accompany Lula at the UN General Assembly and in the launch of a fraudulent "Partnership for Workers' Rights"

with the Biden administration and American union officials. Contrary to official claims that such an initiative is a "mutual commitment to workers' rights and the promotion of decent job," it represents a new stage in the integration of unions into the capitalist state while serving to cover up the Lula and Biden governments' long records of attacks on workers.

American auto workers should treat both the "Partnership for Workers' Rights" and the "solidarity" of Brazilian trade unions and Lula's labor minister with the greatest possible mistrust.

Under Marinho's presidency of the SMABC in the late 1990s, the union began to openly advance the conception of a common interest between workers and companies in combating neoliberalism, forcing concession contracts to make plants more "competitive" and secure a supposed job guarantee.

The results of this policy have been disastrous for workers, particularly in the ABC region. Symbols of post-war Brazilian industrialization, Ford and Toyota closed their plants in the ABC region in the last two years. From 1989 to 2017, the ABC region lost almost half of its industrial workforce, going from 363,000 to 182,000.

Just as in the US, auto companies are going on the offensive against workers in Brazil, this time using the transition to electric vehicles to assert the need for "restructuring." The auto industry's turn to electric vehicles promises to generate a jobs bloodbath.

Last month, in an interview with *Autodata* magazine, the president of Mercedes-Benz (Daimler) in Brazil, Achim Puchert, stated: "Our intention is to outsource everything locally, in the same region, with local suppliers of components that will perform better." Last year, the company announced a plan including 3,600 layoffs, which began immediately in September of last year and were the immediate cause of the strike at the São Bernardo do Campo plant in the ABC region, the largest MB plant outside

Germany.

At the end of June of this year, the company already announced the outsourcing of 500 jobs in parts replacement and remanufacturing at the plant in Campinas in the state of São Paulo. The only demand that the regional union was able to launch was “urgency for the municipal, state and federal governments to act on this.” This means putting any effort to defend jobs in the hands of the government while giving the company time to make its cuts.

GM is also announcing a new round of cuts at its three plants in São Paulo, including the 1930s plant in São Caetano do Sul, also in the ABC region, and Gravataí, in the Southern state of Rio Grande do Sul. As with Mercedes, the massive cuts are being justified in the name of current economic conditions in Brazil. In a document sent to workers, the company states: “the vehicle sales scenario in Brazil is forcing the auto industry to make adjustments to its production capabilities. Now, adjustments are no longer due to a lack of parts: it is necessary to adapt the factories to the size of the market.”

In a glimpse of the enormous assault signaled by the implementation of GM’s plans, a worker who contacted the WSWs stated: “At GM in São Caetano there is no extension [of the working day], on the contrary, people said that there is a threat of two to five hundred layoffs! The union held a meeting about the PDV [voluntary dismissal plan] and people voted against it, and the company still introduced the PDV, but few people joined.”

At the Gravataí plant, the only one that did not even have news of a PDV proposal, the worker informed the WSWs that “They are threatening layoffs or dismissals, but what has happened in practice are extensions of working hours that leave everyone broke. We don’t know if this is already a reflection of the strike there [in the US] or not.” He added that this regime came into force with the start of the pandemic.

Mercedes-Benz’s financial statements have shown better-than-expected profits over the past four quarters, with the latest statement in July reporting a profit of US\$3.34 billion. An additional profit of US\$3.13 billion is expected at the end of this month. GM made profits on similar scales last year, having declared US\$2.51 billion by the end of June.

In other words, contrary to the claims of corporate management, the company’s profits and generous compensation to its shareholders are more than guaranteed, while hundreds of workers will be placed on unemployment and strenuous working hours.

While the UAW attempts to suppress and isolate the struggle of US auto workers, there is no doubt that Brazilian auto unions are preparing to fulfill this same role in Brazil in the interests of large auto corporations.

However, just as in the US, after years of working as agents of companies in imposing wage and job cuts, the union bureaucracies are completely discredited in the eyes of workers, in a period of enormous intensification of the international class struggle. Everywhere, workers increasingly face impoverishment, a rising cost of living amid inflation, and the dismantling of the remnants of social programs by governments.

It is necessary for workers’ enormous opposition to a new round of concessions to the auto companies to take an organized form in independent, democratically controlled rank-and-file committees to break the isolation and advance an all-out strike in the auto industry. Most importantly, workers will be enormously strengthened by a unified struggle across national borders.

In a joint statement, the Rail Workers Rank-and-File Committee in the United States and the National Steel Car Rank-and-File Committee in Hamilton, Ontario, Canada stated:

To wage an effective struggle, autoworkers must build rank-and-file committees at every factory, affiliate with the International Workers Alliance of Rank-and-File Committees, smash the union bureaucracies and restore power to workers on the shop floor. Just as the system of capitalist production operates on a worldwide scale, so must the workers’ movement. Workers must bring the fight to the world arena and link up rank-and-file committees across every industrial sector and across all countries of the world.



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