

# Ford likely to close Dagenham plant in London

**Tony Hyland**  
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It is expected that Ford will announce the end of production at its huge Dagenham, London car plant later this month. The final announcement will come when the world's second largest auto manufacturer outlines downsizing plans for its production facilities throughout Europe.

Cars have been rolling off the Dagenham production line since Henry Ford opened the factory in 1931. At its peak, Ford employed some 30,000 workers at the company's largest factory in Britain, situated on the Thames estuary east of London. The plant has been scaled down over an extended period, but until recently it provided employment for 7,000 workers, over a quarter of the company's British workforce.

The plant has been on a four-day week for over a year. In February, Ford announced that it would move to single shift production of the Fiesta model, with the loss of 1,350 jobs in the assembly section. Dagenham is the last factory in the country still producing cars with the Ford badge, after Halewood in Merseyside switched to Jaguar production. The new Fiesta series is likely to be produced in Cologne, Germany. This will result in a further 3,000 job losses and effectively ends car production at the plant. Engine construction is all that would remain; Dagenham supplies diesel engines for the company's global operations. One union in the motor industry estimated that another 3,000 jobs were threatened in related sections of the economy.

Testimony to the company's dominance in the local economy is the "Fiesta Business Park", an industrial estate adjacent to the plant. Companies here are involved in everything from components' production to transporting the cars to the showrooms. Johnson-Controls, the seat manufacturer, was already reeling from the earlier announcement of single shift production. Trucking company Ansa Logistics

announced that its work would be halved in the wake of the decision.

The area has already suffered the closure of another major employer, Telephone Cables and Exide Batteries, with 600 jobs axed. Dagenham has the lowest average household income of the capital's 32 boroughs—at £19,569 per annum.

The auto unions have advanced no viable perspective to oppose the destruction of jobs. Tony Woodley, the motor industry negotiator for the Transport and General Workers Union (TGWU), appealed to the company to remember the past sacrifices the union had imposed on its members before closing the plant. "Two years ago we assisted Ford by, if you like, closing the Ford Halewood plant on Merseyside for Ford production. That allowed them to spread their production costs across the rest of Europe, and under those arrangements it was clear that this plant would have a new model and a future," he said.

What Woodley is referring to is the fact that when Escort production at Halewood ended in 1998, production of its successor, the Mondeo, was moved to Genk, Belgium. The union agreed to this on the proviso that the next generation of Fiestas would be built at Dagenham. Far from mounting a struggle to defend all car workers, the unions argue that car production at one plant can only be maintained by ending it at another.

For years the TGWU and other unions have policed the production line, seeking to prevent stoppages or strikes and any manifestation of defiance of increased levels of exploitation. After promoting the idea that increased productivity and flexibility were the only way to secure jobs, they cannot now turn around and claim to be the victims of a cruel hoax when they were among its chief perpetrators.

Industrial commentators have claimed that the

increasingly mobile character of modern transnational corporations means that any resistance to speed-ups or job flexibility can be countered by the threat of transferring production abroad. However it is not inevitable that the increasingly integrated character of global production should give the corporate chiefs the upper hand. The creation of Fords Europe, further integrating production across the continent, led to a situation in 1988 where strike action in Britain closed factories across Europe. Workers raised the demand for solidarity action throughout Europe, but the union leaders opposed this. From then on management has relied on the unions to divide the workforce, pitting workers in one country against those in another.

In response to the latest threat, the unions offer more of the same. The struggle to defend jobs requires a unified fight by the 350,000 Ford workers around the world, who are all exploited by a company whose annual sales exceed the GDP of many countries. Rather than fight for this perspective the unions promote the crudest forms of nationalism.

“This is a classic case, once again of Britain being treated unreasonably and unfairly,” Woodley stated. “At Cologne they continue to maintain jobs and we have to ask ourselves why?” Every announcement of job cuts or closures meets a similar response. When BMW announced its plans to ditch Rover, the unions sought to encourage anti-German chauvinism. TGWU General Secretary Bill Morris denounced BMW's investment program in Hungary as a “betrayal”.

Dagenham is not the only Ford plant in Europe faced with the threat of closure. Genk in Belgium, Valencia in Spain, Blanguefort near Bordeaux in France and Cologne in Germany could all be hit by restructuring. Faced with a crisis of over-capacity throughout the world-wide auto industry, Ford could scale back or end production at any of these plants.

In 1999, Ford profits were larger than that of any other car company in history. But the £4.5 billion from global sales is in sharp contrast to its poor performance in Europe and Latin America. In Europe, profits fell from £200 million to £29 million. Ford is fourth behind top selling automakers in Europe. Excluding its sales under the logo of Volvo and Jaguar, it commanded only 8.7 percent of the European market, behind Volkswagen, Renault and Vauxhall/Opel (General Motors).

Nick Scheele, chairman of Fords Europe, has said, “We are seeking tough cost reductions across Europe. We have agreed our plan and more importantly, the timetable.”

Restructuring in Brazil meant the closure of its plants in Sao Paolo and Sao Barnado—which employed full-time labour—and opening up a \$1.5 billion new factory based exclusively on short-term contract labour.

In Europe, competition is increasing in a market that one industry analyst says is already producing 400,000 more units than can be sold. Productivity at Dagenham has increased significantly, but it still takes 25 percent longer to produce a Fiesta there than in Cologne. Another factor which may hold sway on which plant bears the brunt of the downsizing is the cost of redundancy in Britain—which is half that in Belgium or Germany.

Ford's loss of ground in the European market is also exacerbated by the high rate of the pound against the euro, which adversely affects exports to the continent. This is a major factor threatening volume car production in Britain. In addition to being cited by BMW as a significant reason for its sell-off of Rover, Peugeot and some of the most productive Japanese plants such as Nissan and Toyota have warned they may cut back on jobs and investment due to the high rate of the pound.



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