

Visteon workers maintain action after accepting redundancy offer

Julie Hyland**7 May 2009**

Visteon workers in Belfast, Enfield and Basildon have voted to accept a new offer of redundancy payments after they were summarily dismissed just over one month ago.

It is a measure of their justified mistrust of both management and the union that the workers are currently maintaining pickets at Enfield and Basildon and their occupation in Belfast until the promised monies are paid. At the time of writing, however, the Belfast High Court granted an eviction order on those occupying the northern Irish plant.

The workers are fully aware that it was only their independent initiative in taking action after they were laid off with just moment's notice that has secured them any settlement from their former employers.

At the time, the 610-strong workforce was told by administrators KPMG that the company was bankrupt, and they would receive nothing. Ford had guaranteed many of the workers at Visteon lifetime protection of their pay and conditions when the car parts company was spun off from its parent in 2000. They were assured that terms and conditions would "mirror" Ford conditions for "the duration of their employment", including their pensions.

But on March 31, the workers were told to walk with nothing, despite many having more than 15 years service. Ford insisted that it had no "legal or moral" obligation to help Visteon's employees, while KPMG claimed that "Visteon and Ford were separate entities from 2000".

Just over a fortnight ago, the workers rejected a derisory offer giving them a cash payment equivalent to just 16 weeks' pay, regardless of their previous length of service. All the while the administrators were preparing to move equipment out of the buildings and take back control of the plants.

In the face of these threats, the workforce—with the support of their families and many others in the local community—maintained a round-the-clock occupation and pickets, building barricades to prevent the administrators from gaining access.

Their stance forced the company to climb down, on one front at least. If the terms of the deal are correct—nothing exists in writing—500 or so of the workforce (those previously employed by Ford) will receive three months' pay in lieu for redundancy

and 52 weeks' salary. In addition there will be a week's salary for every year served by workers aged 41 or under, or one-and-a-half week's salary for every year served by workers aged over 41.

The offer is proof that only a determined stand by workers against every effort to impose the burden of the economic crisis and corporate failure onto their backs can secure any concessions. However, the victory is only partial and limited, especially given that those employed in the last nine years will reportedly receive much less than that agreed to for former Ford workers.

The spontaneous initiative of the workers was not enough to secure their broader aims, the defence of their jobs.

Although the Unite trade union is claiming victory in that Ford has said workers will get first shot at vacancies at its other plants in the UK, this is nonsense. The deal accepts that the 600-plus jobs will be destroyed. Moreover, Ford internationally is making major cut backs, including shedding 850 jobs in the UK—7 percent of its 12,000-strong workforce—at a time of major restructuring and layoffs across the auto industry.

Whatever monies the workers finally achieve will not be enough to cushion them against long-term unemployment or at the very least a severe decline in their wages in future.

Fundamentally, especially under conditions of a worldwide recession, the fight to defend jobs cannot be waged as a purely trade union struggle. It entails a political struggle against the capitalist system itself, based on the fight for the reorganisation of economic life according to social need, not private profit.

This necessary orientation can be pursued only in a political rebellion against the trade union bureaucracy.

In the last period, tens of thousands of jobs have gone, and workers have lost their redundancy and pension entitlements, often without any struggle being mounted, due to the perfidious role of the trade unions.

At Visteon any concessions won were achieved despite the union, not because of it.

It was Unite that ensured the occupation at Enfield was called off, and replaced by a picket, after the High Court ruled in favour of KPMG. At the time, a High Court verdict in Belfast on the occupation was delayed but it is likely that, if KPMG decides to enforce the latest eviction notice, the union will do

its utmost to comply.

Throughout the dispute, Unite was particularly keen to nip in the bud demands for pickets and solidarity action at other Ford plants—such as the Southampton transit van plant where between 400 and 500 jobs are to go by May—and no official appeal for funds for the dispute was made until the last days.

It is not only that the unions act as a conservative force, seeking to limit workers struggles to that which is acceptable and affordable within the confines of the profit system. The most far-reaching conclusions must be drawn from the decision of the Obama administration in the US to grant the United Auto Workers union a 55 percent stake in the “New Chrysler” company.

Just days before Chrysler filed for bankruptcy, the UAW had pushed a new contract that slashed wages and benefits, eliminated the right to strike, and cut holiday time. With a seat on the board, the UAW now has a direct incentive in further slashing workers entitlements to boost the company’s share value.

The UAW’s transformation into a business entity is indicative of a process within all trade unions across the globe. Years of collaboration between the union tops, capitalist politicians, businessmen, lawyers and others have produced a qualitative degeneration within organisations that now confront the working class as a hostile force.

A final point must be made in this regard.

There is every indication that more is involved in the decision of Visteon to make its recent offer than immediately presents itself.

It is particularly noticeable that no mention has been made of the workers’ pensions.

The last week had seen numerous allegations made regarding issues of corruption and dubious financial practices surrounding Visteon. Just before the deal was presented, evidence emerged that the company had been planning to close the Belfast plant for years.

This was only the end product of a larger rationalisation plan, first put into practice in 1997 when Ford established Visteon. In 2000, the two entities formally separated and Visteon was subdivided into 40 companies internationally.

Evidence has come to light that in 2001 the company considered further rationalisations, including the immediate closure of the Belfast plant but opted instead for a strategy that carried less “risk of industrial dispute and/or sabotage”—its gradual downsizing.

In 2005 Ford announced “The Way Forward” as part of its search for new means of extracting greater profits from its workers under conditions of intense global competition. Centring on outsourcing, the aim was to force suppliers to compete at the so-called “China Price”, i.e., by reducing wages and conditions to the lowest level possible.

Canada’s *Globe and Mail* noted on May 2 that Ford had stolen a march on its rivals GM and Chrysler, being the “first to

restructure its debt, first to win deep concessions on legacy costs from the United Auto Workers and first to slim down its roster of brands”.

The “legacy costs” referred to are the jobs, conditions and pensions of its workforce—including cuts in health care costs and flexible working. To this end, according to Harley Shaiken, auto industry expert at the University of California, cited by the newspaper, the company had viewed the union “as an asset, not a burden”.

Meanwhile, at Visteon UK during this period, hundreds of jobs were being shed as the company prepared to close UK sites. According to Eamonn McCann in the *Belfast Telegraph*, a plan was also drawn up for the establishment of “duplicate sources for all the Belfast product lines by the end of 2007”, while workers were kept in the dark.

McCann described the “operating relationships between the various manifestations of Visteon” as a “recipe for migraine”. Sinn Féin leader Gerry Adams has gone further, calling for a public investigation into “the accounting and management practices of Visteon and auto-giant Ford”.

“I believe that there is an accumulation of information which raises profound questions about the management by Ford and Visteon of assets and finances, including pensions in which workers had invested”.

Visteon UK had debts of £669 million, but £400 million of this was owned to its parent company, Visteon Corporation, which continues to operate. While Visteon UK workers were informed that their pension trust was £260 million in deficit, last year Visteon management transferred their pensions to a newly created company—Visteon Engineering Services—which is also still operational.

According to several reports, just weeks before KPMG was called in to liquidate Visteon, the company had set up a new car parts company, Automotive Products Ltd. Owned by Visteon International Holdings, its director is Stephen Gawne, formerly a director at Visteon UK.

What connection, if any, there is between the demands for a public investigation into Visteon’s practices and the decision to table a deal remains unclear. The union has said nothing regarding pensions other than that they are to be dealt with “separately”.



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