

# An international political strategy for Ford Australia workers

The Socialist Equality Party (Australia)  
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The pending shutdown of Ford Australia's operations is part of a vast restructuring of the international auto industry that is devastating the jobs, wages and conditions of car workers around the world. It raises the necessity for the working class to respond with its own global political strategy, based on a socialist and internationalist perspective, in defence of its independent interests.

Since the eruption of the global financial crash in 2008, the auto sector has been at the forefront of attempts by the financial elite to extricate itself from the impact of the economic crisis by impoverishing car workers and imposing never ending "productivity" concessions. The Obama administration in the US, in collaboration with the United Auto Workers union, has spearheaded this global offensive, destroying tens of thousands of jobs and slashing auto workers' wages by as much as 50 percent. New hires in the industry now earn less, in real terms, than their counterparts did in the 1930s.

American Ford workers are now forced to work 10-hour shifts, including on Saturdays, without receiving any overtime wages. On the basis of this intensified exploitation of the workforce, Ford's North American division registered an enormous \$2.4 billion pre-tax profit in just the first three months of 2013. The company now boasts an 11–12 percent profit margin on its North American operations, a level unthinkable only a few years ago.

Ford's plan to mothball its two plants in Australia by 2016 comes after the subsidiary has registered several years of financial losses. Despite receiving more than \$1 billion in public subsidies in the last decade, Ford Australia concluded that there was no viable way of generating a profit given high operating costs and declining sales, with the elevated Australian dollar an important factor. "Our costs are double that of Europe and nearly four times [of] Ford in Asia," Ford Australia president and CEO Bob Graziano declared.

Domestic factors were not the decisive issue, however. Under the "One Ford" corporate strategy, executives are slashing costs by consolidating global production around internationally marketable vehicle models, made in a smaller number of plants. Ford will soon shut down factories in Belgium and England, directly destroying nearly 6,000 jobs, in line with this plan. Every global car company is carrying out similarly ruthless restructuring measures. The race to the bottom in the drive for "international competitiveness"—gutting workers' wages and conditions—is an endless one.

Even in Eastern Europe, where car makers have made significant investments in the last 20 years to exploit the region's cheap workforce, CEOs are now shifting production to even lower wage platforms in North Africa and Asia.

Car workers in Australia confront a joint enemy in the corporate executives, federal Labor government, and the trade unions. Ford Australia notified Gillard in advance of its shutdown decision, allowing the government to prepare a fund, supposedly for assisting the workforce and local communities in Geelong and Broadmeadows to prepare for the "transition." Similar schemes in the past, including for Mitsubishi workers in Adelaide and BlueScope steel workers in Wollongong, have done nothing to create new jobs or alleviate the severe social crisis in these working-class communities. Rather, they are consciously aimed at providing political cover to the government as it orchestrates the assault on jobs in collaboration with the corporate chiefs.

The first major wave of plant shutdowns and mass layoffs in the Australian car industry was carried out under the 1983–1996 Hawke-Keating Labor governments, as part of its pro-business economic restructuring. The Labor Party has carried this restructuring agenda forward since being returned to office in 2007. A major government review into the car industry, released in 2008,

concluded that “the key issue for the industry is not so much that closures are occurring and will continue to occur, but that ‘unplanned’ exits need to be addressed.”

Government subsidies for the industry have never been about protecting jobs. On the contrary, they have been aimed at destroying jobs in a more efficient and organised manner.

The trade unions have played the critical role in enforcing the diktats of the car companies and the government. As the Australian Manufacturing Workers Union (AMWU) explained in its submission to the government’s industry review, it was important that the auto companies provided them with advance notice of “closure/rationalisation/merger arrangements”, in order to “ensure an orderly and managed process occurs.”

The unions are now seeking to ensure that the Ford shutdown proceeds as yet another “orderly closure.” Union bureaucrats immediately responded to the announcement by demanding guarantees that redundancy entitlements be paid in full, stoking fears over this issue to divert any move by workers to defend their jobs. The unions have also demanded that the government consider raising tariffs on imported vehicles.

This proposal was backed by a small group of Labor parliamentarians, including so-called “left” senator and former AMWU chief Doug Cameron. He declared: “There’s a real need for a bit of economic nationalism in this country.”

This rhetoric is both reactionary and futile. There is no such thing as a “national” car industry in Australia—every aspect of the sector is fully integrated into a global supply chain. Cameron and the unions know full well that tariffs and other protectionist measures would do nothing to prevent more plant closures and job losses. These layers are consciously working to disorient and divert workers—promoting Australian nationalism to prevent a struggle against Ford’s closure and divide the workforce from their fellow car workers in Asia and internationally.

For decades the unions have worked to suppress any industrial activity within the car industry, insisting that workers must accept being subordinated to the operations of the capitalist market. The nearly 60,000 workers in the Australian car and car components industry can only challenge this situation and defend their jobs, wages, and conditions by turning to a new international socialist strategy, united with their class brothers and sisters throughout the world.

The first step is for workers to break out of the industrial and political straitjacket imposed on them by

the trade unions. The unions are no longer workers’ organisations. With the emergence of globalised capitalist production methods in the last three decades, the union bureaucracies in every country have secured their material privileges by functioning as the enforcers of the wage cuts, job losses, and productivity speedups demanded by the transnational corporations. New forms of struggle—rank and file committees of car workers themselves—must be established, to turn out to car workers in other countries and to other sections of the working class in Australia confronting similar attacks, including those in the airline, mining, construction, and manufacturing industries.

Workers are locked into a political fight with the Gillard government. They confront not just the destructive management decisions of one or another corporation, but an entire economic and social system, capitalism, that enriches the ultra-wealthy minority at the expense of working people. Major industries, including the car sector, and the mining companies and banks must be placed under public ownership and the democratic control of the working class, as part of the socialist reorganisation of the Australian and world economy.

This program can only be achieved by the working class establishing its own revolutionary party that advances the struggle against the profit system and for the formation of a workers’ government. That party is the Socialist Equality Party. We are fielding candidates in the upcoming federal election in order to provide the means for the working class to intervene in order to defend its own independent interests. We urge Ford workers and others confronting similar attacks to contact the SEP and actively participate in our campaign.

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