

# Germany: Ford works council agrees to flexible working and job cuts

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Ford's central works council in Germany has agreed with demands from company management for job cuts, flexible working patterns and the elimination of one-off payments for the 24,000 workers at its plants in Cologne and Saarlouis.

The works council sold out on the basis of the US automaker's promise to continue to produce in Germany in the future. At Cologne/Niehl, 4,100 workers produce the Fiesta model, which has been rolling off the production line there for 35 years. In total, Ford employs 17,000 workers in Cologne. In Saarlouis, 6,500 workers assemble the Focus and C-Max models.

Prior to the latest deal, Ford had threatened to shift a large proportion of production to cheap labour locations beginning in 2017. The Ford plant in the Romanian city of Kraiova had applied internally for the Fiesta model.

Now, according to management, the next generation of the small Fiesta vehicle will be produced exclusively in Cologne, while Saarlouis will remain the only location for the production of the Focus and C-Max.

Ford also extended an "employment guarantee" by five years until 2021. That does not mean the retention of existing jobs, but merely the ruling out of compulsory redundancies. Instead, jobs will be eliminated through part-time working for older workers and "natural fluctuation."

Future production in Cologne will take place within the framework of a "new, flexible, model with extra work" in two shifts. The night shift will be eliminated by 2017. Ford's Bernhard Mattes did not say how many jobs would go as a result. Some of those employed on the night shift will be accommodated on a third shift to be introduced in engine production. The one-litre EcoBoost engine produced there is to be used in other Ford vehicles. Other night shift workers will

take over tasks that Ford outsourced in the past but are now returning to their own employees.

If this proves insufficient to eliminate enough jobs, the company intends to return to the option of part-time work for older employees, said Rainer Ludwig, labour director.

The elimination of the third shift will be accompanied by speed-up. With increased demand, Ford can "increase working time by half an hour per shift." Operating with two shifts, employees can be compelled "to produce for an additional hour per day."

The agreement between company management and the central works council states that this additional work "will be collected in a time-bank and can be used up during months with weaker demand by the hour or by the day." For overtime worked, an overtime premium will be paid in the future. From 2017, one-off payments and holidays for special occasions, such as 25 years of company service, will be completely eliminated.

In return, the regular monthly incomes of the workers will be untouched, central works council chairman Martin Henig told 8,000 workers at a company meeting in Cologne on Tuesday. There would also be no worsening of contractual terms for newly hired workers.

Henig claimed that with the "compromise" he had avoided the slow death of the plant. "The loss of Fiesta production would have spelt the end for the Cologne plant," he said. Up to 10,000 jobs at Ford and in the supply industry would have been at risk. Now, "for the next seven-and-a-half years and beyond" employees had been given security.

Workers in Cologne, who had been fearing the loss of Fiesta production for weeks, were initially relieved. According to press reports, Henig received a standing

ovation at the company meeting when he announced that the Fiesta production would be staying in Cologne.

But the agreement negotiated by the works council will not prevent the winding down of production at the plant. GM-Opel workers in Bochum have undergone their own bitter experience. Bochum's works council chairman Rainer Eienkel signed up to similar concessions for years, claiming he had "saved" the plant and that a shutdown had been "avoided." In reality, each concession only brought the shutdown closer. At the end of this year, GM-Opel's Bochum plant will be closed.

With the concessions agreement, the Ford works council has opened a race to the bottom, allowing the company's global management to play off workers at each location against one another and drive down wages and working conditions.

The measures agreed in Cologne will bring the company total savings of \$400 million (€295 million) between 2017 and 2021. Employees at other locations will then be subjected to pressure to make similar concessions, until it is the turn of Cologne and Sarrelouis once again.

Ford responded to the collapse of the auto market in the wake of the global economic crisis in 2008-2009 with drastic job cuts. The plant in Genk, Belgium is to be closed at the end of 2014, and the plants in Southampton, southern England, and a stamping plant in Dagenham have already been shut down.

In Genk, almost 4,500 workers were employed, and in the two plants in Britain there were 1,400. All three plants had also concluded long-term "employment guarantees."

With the help of these plant closures and the agreement now reached in Germany, Ford aims to return to profitability in Europe by 2015. In 2013, the company had losses of €1.2 billion.

But the firm will not be satisfied with this. As soon as it has imposed the concessions now agreed, more will follow. Ford will compete with the auto producers Daimler, Audi and BMW and strive for a 10 percent rate of return for shareholders.

Locations will be played off against each other systematically, and the low wages in the Eastern European and Asian plants utilised to undermine the workers' remaining achievements. The only possibility of bringing an end to the permanent worsening of

wages and working conditions is through the international unification of all auto workers in opposition to the attacks of the concerns.

But this is precisely what the trade unions and works councils vehemently oppose. They have made it their job to impose the demands of the auto manufacturers on the workforce. Ford's European works council, with its headquarters in Cologne and led by Dieter Hinkelmann, did not lift a finger to defend the plants in Belgium and Britain.



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