

# Ford confirms its target of 5,000 layoffs in Germany

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Late last month, Ford Motor Company confirmed it intends to slash more than 5,000 jobs in Germany. The job losses were announced at three mass meetings on March 25 and 26 held in the company factories in Cologne-Merzenich, Cologne-Niehl and Saarlouis.

Ford management plans to carry out the sackings in close collaboration with the IG Metall union and its works councils.

The axing of 5,000 jobs is part of a global cost-cutting program through which Ford plans to save up to \$14 billion. At present, the US-led company employs a core workforce of around 24,000 workers in Germany as well as an unknown number of temporary workers.

According to an internal document made available to the *Kölner Stadt-Anzeiger* newspaper, the company is offering severance pay and early retirement programmes to its full-time workforce. The company hopes to “voluntarily” shed 3,400 employees in Cologne and 1,600 in Saarlouis, where a full shift is to be cut. According to the *Süddeutsche Zeitung*, the compensation on offer is €30,000 plus several monthly salaries, depending on seniority—a ridiculously small sum that “not many will accept,” one 52-year-old Ford worker told the local newspaper.

During the factory meetings of thousands of workers, Ford Germany boss Gunnar Herrmann tried to justify the job cuts by pointing to the competition between automakers in the global auto industry, where “the pressure is unrelenting.” He said auto suppliers Bosch and Schaeffler were also threatening to cut jobs, while major German auto manufacturers, such as Audi, BMW and Daimler, have recently announced a significant drop in profits.

Analysts say Ford wants to cut 25,000 jobs worldwide, with most hitting Europe. A Ford plant is being closed in São Paulo Brazil, as the company exits the truck manufacturing business in South America. In the United States, Ford is cutting over 1,000 jobs in Flat Rock, Michigan and its joint venture in Russia, Ford Sollers, will shut down two assembly plants and one engine factory.

Like VW, GM and other global corporations slashing jobs,

Ford is brutally cutting costs to satisfy the global financial markets, which have been battering the share prices of automakers, particularly in the face of growing signs of a global economic slowdown, which has already affected sales in their two largest markets, China and the US.

In addition, the companies require vast resources to convert towards electric vehicles, self-driving cars, the “Internet of Things,” and other technological innovations. While such revolutionary advances in technology have the potential to greatly improve working and social conditions, under capitalism they are being used to slash jobs and increase the exploitation of remaining workers. One benchmark is the Ford plant in Craiova, Romania, where workers work under inhuman conditions with some new hires making as little as €300 (US \$336) per month.

There are a number of indications that the current wave of cuts is merely the prelude to Ford’s complete withdrawal from Europe. The company’s plant in Blanquefort, France near Bordeaux, which employs 850, is due to close in August, and Ford also plans to pull out completely from the UK.

In order to enforce the cuts, the company has replaced Ford’s European boss, Steven Armstrong, with 51-year-old Stuart Rowley, and hired Tim Stone as its new chief financial officer. Stone had previously worked for 20 years for Amazon, which is notorious for its brutal work pace and poverty wages.

Ford, the second biggest automaker in the US, generates significantly less profit in Europe than its global average. In addition, Brexit and global trade war are further threatening profits. For example, every third Fiesta produced in Cologne is delivered to the United Kingdom, where sales have already collapsed due to the fall in the exchange rate for the pound.

Auto expert Ferdinand Dudenhöffer from the University of Duisburg considers Ford “too small” to survive in Europe and regards the company’s selloff to be its best option. He has compared Ford with Opel, the former subsidiary of General Motors, which shut down one plant after another.

Opel was finally sold off to the French PSA group, which has continued to cut jobs.

The comparison with Opel is appropriate, especially with regard to the role played by IG Metall and its works councils. Together with management, they worked out a series of programmes for cuts and enforced them upon the Opel workforce. On every occasion they justified job and wage cuts with the assertion that the remaining jobs would be “safe.” On this basis the union backed the closure of factories in Antwerp, Belgium and Bochum, Germany, along with the selloff of Opel to PSA, while suppressing all resistance by workers.

Ford general works council leader Martin Hennig left no doubt that the works council and IG Metall will play the same role. Following the factory meetings, he told the press that working groups were examining the finances of Ford Europe with the aim of improving the situation for the company. Structural developments in the auto industry made it impossible to avoid a massive downsizing, but this process, according to the union, could be extended over the next few years.

Hennig also explained how this “extension” could take place, i.e., via drastic cuts at the expense of the workforce. This could once again bring Ford Europe into “the profit zone,” he said. “If we can edge into the profit zone in the next two years, no one will want to play hard ball with employees.”

The works councils and the shop stewards function as junior partners of Ford. They are integrated into the structure of corporate management and share in the profits sweated out of the backs of workers they claim to “represent.” The chairman of the Saarlouis works council, Markus Thal, the joint works council chairman, Martin Hennig, and the deputy Cologne director of shop stewards, Mustafa Cözmez, all sit on the company supervisory board, along with three other IG Metall members.

In Saarlouis, the union officials have already made it clear IG Metall will support the company’s plans. They have sought to convince workers that the union conducted tough negotiations and the cuts are needed to save the plant. Speaking on behalf of IG Metall, Lars Desgranges claimed that Ford’s agreement to refit the Saarlouis plant to produce a Focus model in 2022 was “a partial success.” Desgranges was supported by the economics minister of Saarland, Anke Rehlinger (Social Democrat Party-SPD), who said the far-from-assured promise of a future model for the plant was an “important signal.”

The next move of the IG Metall officials and SPD politicians is to help get rid of 5,000 workers as soon as possible. To this end they will use their proven tactic of playing off German workers against workers abroad,

Cologne workers against those in Saarlouis, and full-time workers against temporary staff.

In 2014, the union supported the closure of the Ford plant in Genk, Belgium. Now they are preparing to jettison Ford’s temporary workforce who have no right to severance pay. In Saarlouis, the contracts of over 400 temporary workers were terminated at the end of 2018, and the contracts of another 600 temporary workers are due to expire in June. These workers, who work mainly on the night shift, are currently building the C-Max model, which is being discontinued.

The staff meeting in Saarlouis, which lasted more than three hours, was interrupted by bursts of disapproval and whistling by those in attendance. One worker asked about the future of temporary workers employed at the factory. “Colleague, you can read between the lines,” was the shameful response of the chairman of the meeting.

The worker later told the *World Socialist Web Site*, “The works council has not said a single word about the future of temporary workers.”

To defend their future and that of their families, Ford workers must organize independently of the union and join forces internationally. To this end they must set up independent action committees and establish contact with autoworkers around the world. The working class is a powerful social force; in Germany alone, around 800,000 work in the auto industry.

Workers must reject the private ownership by the banks, corporations, and super-rich families such as the Fords. The Socialist Equality Party (SGP) advocates a socialist programme involving the expropriation of the huge fortunes of shareholders and the super-rich, workers’ control over production and the reorganisation of the economy to benefit the population as a whole.



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