

Ford announces 12,000 layoffs, five plant closures across Europe

Will Morrow
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In a statement and conference call with investors yesterday, Ford Motor Company announced that it will lay off 12,000 workers and shutter five plants across Europe by 2020, a 20 percent reduction in its workforce on the continent.

The announcement is part of a global restructuring that the company announced last October. In January, it reported that it would slash a “significant number” of its European workforce of 51,000. In the ensuing months, it has worked with what it calls its “trade union partners” and governments across Europe to suppress the growing anger and resistance of workers.

The company’s statement yesterday confirmed that it will close its plant in Blanquefort, France, near Bordeaux, destroying approximately 800 jobs and ending its production in the country, the Bridgend Assembly plant in Wales, with 1,700 jobs, and three plants located in Russia: the Naberezhnye Chelny Assembly, St. Petersburg Assembly (which closed June 20) and Elabuga Engine Plant, destroying 2,000 jobs together.

It is also ending production of its C-Max passenger vehicles at its Saarlouis assembly plant in Germany, laying off more than 5,000 workers combined at Saarlouis and Cologne. The statement referred to an unknown number of layoffs at its plant in Valencia, Spain. In addition, it is selling the Kechnec Transmission Plant in Slovakia.

These actions, which would have devastating consequences for tens of thousands of workers if implemented, immediately triggered an almost three percent rise in Ford’s share price yesterday. The *Wall Street Journal*, the voice of American finance, noted that “shares have rallied 33 percent this year amid an emerging view among some investors that Chief Executive Jim Hackett’s turnaround plan is beginning to gain traction.”

They anticipate billions more dollars handed directly to the corporate and financial elite in the form of dividend payouts to hedge funds and the billionaire parasites that control them. Ford’s total dividend payouts over the last five years have averaged \$2.79 billion per year—equivalent to

approximately \$14,000 for each one of Ford’s 200,000 workers globally. The top five institutional shareholders alone, all of them hedge funds, will receive approximately \$600 million this year, which could provide an immediate \$3,000 raise to every worker.

But the financial markets are demanding far more. The *Journal* noted that CEO Hackett has been “under pressure from analysts who have questioned whether he is moving quickly enough to boost profitability,” and added, “Mr. Hackett still has a long way to go.”

In May, Ford announced the elimination of 7,000 white collar job cuts in North America, or 10 percent of its global salaried workforce. Even as engineers, technicians, managers and other white-collar workers being escorted out of their office buildings, Wall Street analysts said Ford would have to slash another 23,000 salaried jobs to meet its cost-cutting target. The company has also cut hourly workers in the US, including eliminating a shift at the Flat Rock Assembly plant in suburban Detroit.

Ford’s restructuring is part of a new offensive by all the automakers internationally spurred by a global downturn in sales, particularly in China, and the implications of the turn toward new research- and capital-intensive technologies in electrical vehicle production. All the automakers are conducting similar job-cutting campaigns: GM announced 14,000 layoffs in North America last December, and this year has seen announcements of 7,000 layoffs by Volkswagen, 4,500 by Jaguar, and 3,000 by Tesla.

Ford’s statement notes that it will expand its electrical vehicle production, while shifting passenger vehicle production primarily to Turkey. It ended all heavy-vehicle production in South America last year, as part of its global “transformation” plan aimed at slashing \$14 billion in costs.

This offensive, however, is taking place amidst a resurgence of working-class struggle, strikes and protests internationally and growing resistance and opposition among autoworkers. On June 14, Ford Bridgend workers in Wales voted by 80 percent to reject the closure of the plant, with 83 percent of those who voted backing a strike.

In Detroit, Michigan, 1,900 workers at the French-owned Faurecia parts manufacturer struck last week to oppose years of givebacks enforced by the United Auto Workers union, before the union shut down the strike without any vote Friday, and then rammed through another concessions contract Thursday. . The last thing the UAW wanted was a successful strike as 155,000 Ford, GM and Fiat Chrysler workers seek to overturn decades of concessions when labor agreements expire in mid-September.

If Ford has so far been able to proceed with its attacks without organized resistance, it is thanks only to the sabotage by the trade unions. The role of these pro-corporate apparatuses was acknowledged yesterday by Ford Europe President Stuart Rowley who said he was “grateful for the ongoing consultations with our works councils, trade union partners and elected representatives,” and that “together” they were focused on “building a long-term sustainable future for our business.”

Indeed, Ford’s trade union partners have responded to the restructuring announcement by promoting nationalism to cut across any unified struggle by workers in Europe, and insisting that nothing can be done to fight, while enforcing cuts to workers’ conditions.

In Germany, the IG Metall union defends the layoffs in the same language as the company. Martin Hennig, the head of the Ford Works Council, was asked by the *Kölner Stadt-Anzeiger* on January 22 if he thought the job cuts were appropriate, and replied that it was “correct in principle to subject everything to review and deal with the issues that are affecting the entire auto sector.”

In March, he told *Handelsblatt*, in language indistinguishable from Ford management, that “either we make the turnaround and become profitable, or we gradually shut down.” IG Metall repeatedly promotes nationalism and insists that it will defend “German jobs.”

At Ford’s Valencia, Spain plant that employs 8,000 workers, the UGT union federation has signed a series of contract suspension agreements, including one this month, cutting workers’ wages by 20 percent below the contract level, in the name of “saving jobs” at the plant.

In the UK, *Walesonline* revealed that the Unite union has been party to closed-door presentations with Ford management detailing the implementation of planned cuts at the plant since at least January. They have promoted British nationalism to drive a wedge between workers internationally, with General Secretary Len McCluskey declaring that “the company has deliberately run its UK operations so that not a single Ford vehicle ... is made in the UK,” and complaining that it is “easier and quicker to sack our [i.e., British] workers than those in our competitor countries.”

And in France, the main union federations, with the Stalinist CGT represented by Philippe Poutou, a leading member of the pseudo-left New Anti-Capitalist Party, are promoting the illusion that Macron, known as “the president of the rich,” will defend workers’ jobs. The *Objectif Aquitaine* noted on June 25 that “disappointed by the attitude of Finance Minister Bruno Le Maire,” Poutou and his counterparts in the other unions “sent a courier on June 13 to Bercy [the finance ministry] to relaunch a dialogue with the minister.” The unions have called a protest action for September 20, a month after the scheduled closure of the plant.

Workers must reject the nationalist perspective promoted by all of the unions. The reality is that Ford and all of the other auto giants are operating with a global strategy, pitting workers against one another in different countries. The only response to this offensive is for workers to develop their own internationally-coordinated campaign to defend all jobs, stop all closures, and raise living standards for all workers.

Such a struggle requires a break from the trade unions, which function as labor-management arms of the companies. They are working to ensure that Ford succeeds in closing plants and decimating entire communities.

Autoworkers in Europe must take the fight into their own hands and assert their own class interests, through the formation of independent rank-and-file committees, which must be forged across national borders.

The global assault underway by the automotive giants and their determination to funnel ever greater sums of wealth into the bank accounts of the financial elite underscore the impossibility, under capitalism, of guaranteeing the most basic social rights of the working class, which produces all of society’s wealth. The answer is socialism: the establishment of workers’ governments, and the transformation of the gigantic productive forces of society, including the automotive giants, into public utilities, run under the democratic control of the working class, on the basis of a scientifically planned world socialist economy to meet the social needs of the population.



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