

Union-dominated works councils pit Ford workers in Germany and Spain against each other for jobs

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The coming holidays will be a time of uncertainty and worry for more than 10,000 Ford workers in Saarlouis and Valencia. This is because Ford's corporate management has called on the plants in Germany and Spain to put forward their proposals for cutbacks and savings by January 27, 2022. The site that performs better in terms of costs is to be awarded the contract to build a new electric car model. The decision is to be made by June 30, 2022.

Like all auto companies, Ford is in the process of converting its production to electric vehicles. From 2030, Ford plans to produce only electric vehicles in Europe. Since the production of cars with combustion engines is significantly more complex than that of vehicles with electric motors, all auto corporations are planning massive job cuts.

The mechanism used in this process in Europe has been employed for decades. Workers at individual sites are played off against each other by corporate management and the trade unions via the works councils. The works councils at the Ford plants in Saarlouis, Germany, and Almussafes (Valencia), Spain, are currently engaged in regular negotiations with their management to squeeze costs and thus outdo the competing site in an internal bidding competition. The concessions extorted in this way are then supposedly intended to "secure the site." But so far, such concessions have only paved the road to plant closures.

More than 50 years ago (1970), the first car, a Ford Escort, rolled off the production line at the Saarlouis plant where more than 7,000 workers were employed not long ago. In 2019, over 2,000 jobs in Saarlouis fell victim to a restructuring programme that saw Ford cut 25,000 jobs worldwide, including 12,000 in Europe and more than 5,000 in Germany.

The Saarlouis works council and the IG Metall union agreed to eliminate the night shift in 2019, cutting 1,800 jobs. Another 600 jobs were cut this year, leaving fewer than 5,000 employees who exclusively manufacture the Ford

Focus. Production of this model is expected to end in mid-2025.

The plant in Valencia is celebrating its 45th anniversary. Production there began in 1976 with the Ford Fiesta, which only ended in 2012. About a dozen different models have been built there over the past decades. In the best years, 9,000 workers produced up to 450,000 vehicles a year. Today, there are just under 6,000 workers on two production lines building the Mondeo, Galaxy and S-Max, as well as the Kuga and the Transit van. Currently, production for the Mondeo, Galaxy and S-Max only runs in single shifts due to falling demand.

Just as in Saarlouis and in Ford's Cologne plant, Valencia is also affected by short-time working. Daily production at the plant is currently around 1,300 vehicles, and this year only just over 160,000 vehicles are expected to be produced in Valencia, 60 percent less than in 2019. In November, management announced the elimination of the night shift from January 2022.

About two years ago, Ford had announced investments of €42 million to retool the assembly lines for hybrid models and to build two assembly lines for lithium-ion batteries, which went into operation in September 2020. Then, in March this year, Ford announced plans to expand its Valencia battery assembly plant at a cost of €5.2 million. "This factory is very likely to be retained by the US group," finance daily *Handelsblatt* wrote in September.

Management and the works council in Valencia have been meeting weekly since mid-October to work out new cuts. In December, the current collective agreement expires; the new one should guarantee the commitment for a new electric model. This is because Valencia will also soon see the end of production of four of the five models currently in production. Production of the Mondeo will end at the beginning of 2022, and that of the Transit will be discontinued later next year. In 2024, the lifecycle of the S-Max and Galaxy will end, leaving only the Kuga.

Piling pressure on the workforce, the Spanish unions insist, “We must not miss the electrification train.” If there was no “agreement,” the union said, the Valencia plant would be left behind, while elsewhere many billions of euros were already being invested in the switch to electric vehicle production. They said this was the case, for example, at the plant in Halewood in the UK, which was receiving around €273 million to build electric components for future vehicles, and in the US, where investments of \$11.4 billion had been announced for the start-up of four new plants.

The head of the works council in Valencia, José Luis Parra of the social democratic union UGT, told the workforce what they needed to prepare for: Management were demanding wage and vacation cuts as well as extensions in working time in order “not to lose competitiveness” and “to win new projects and produce new models.” The unions will agree to this. This is what they mean by “fair and balanced” production.

The works councils in Germany are acting no differently. They are currently collaborating permanently with management in several “working groups” to cut costs. According to information from the *Saarbrücker Zeitung*, these groups are to discuss “necessary investments, wage costs and possible government subsidies.”

The cuts in wage costs that will be discussed were announced in September by Ford’s General Works Council Chairman Martin Hennig. In a letter to workers in Saarlouis and Cologne, he wrote that management “obviously no longer know any taboos, not with regard to working time regulations, not with regard to bonuses, not with regard to compensation payments. The workforce is supposed to bleed, is supposed to pay and deliver at the same time.”

The chairman of the works council in Saarlouis, Markus Thal, has promised that employees will come up with further cuts. He had claimed in the past that “cost reductions,” including job cuts, would secure the site.

“We can do it in Saarlouis, we can also build electric cars—even with a corresponding profit rate,” he announced on the day of action in September. The bosses in Detroit had set a 6 percent margin for sales. “Yes, we can,” Thal assured them.

A memo from the Central Works Council dated December 9 said management had pointed out that “Valencia had considerable advantages over our plant, particularly with regard to personnel costs.” This was the reaction of the General Works Council: “European management has been informed in writing that we in Germany [!] will join forces with all our colleagues to save the plant in Saarlouis.” On its own, Saarlouis had no chance in this unequal competition. “Only together can we preserve and permanently secure the jobs,” said the Works Council.

In other words, the German General Works Council accepts in practice the very “bidding war” it criticizes in words. For example, it complains that once it had submitted its concepts for Saarlouis, the German Works Council had learnt “nothing of what is being negotiated in Valencia” and consequently could not “make improvements if necessary.”

In this way, the workers at the individual plants and countries were and are being played off against each other. The short-term “success” of some means defeat for others. Production has already been halted in Belgium, France and Wales, and four plants have been closed in Russia. Just recently, Ford announced it was ending production in India and Brazil.

As in the past, Ford workers in Saarlouis have shown this year that they are willing to fight. But they can only defend their jobs in a common struggle together with their colleagues in Cologne, Valencia and all other international plants against the unions and works council representatives, who have pushed through all the corporation’s attacks against the workforce in recent years with their nationalistic divide-and-rule policies. They are planning to do so again.

The International Committee of the Fourth International and its affiliated Socialist Equality Parties formed the International Workers Alliance of Rank-and-File Committees in May to coordinate workers’ struggles worldwide against corporate attacks. We call on Ford workers in Saarlouis, Valencia, Cologne and around the world to join together in rank-and-file committees independent of the unions to prepare joint strikes and protests at all plants. Contact us about this today.



To contact the WSWs and the Socialist Equality Party visit:

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