

As Ford confirms closure of its Saarlouis plant: Lessons from 50 years of car production

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Ford Motor Company's decision to halt production at its plant in Saarlouis, Germany in 2025 is part of the biggest international assault on the social gains and rights of the working class since the 1930s.

At stake are not only the futures of the families of the 4,600 directly employed workers but also another 1,500 workers in the neighbouring supplier companies and the economic life of the entire region, where several tens of thousands of jobs depend upon the auto industry. The Ford-Saarlouis workforce is representative of workers around the world whose livelihoods are being destroyed.

Global auto companies are using the shift to less complex electric motors to reorganize the whole production process and squeeze every last ounce of profit out of workers. Ford reported a profit of nearly €9 billion on sales of €115 billion for 2021. CEO Jim Farley announced that the company aims to achieve an operating return of 10 percent by 2026.

The company's most important aides in this are the trade unions and their works council representatives. They agree with the corporations on wage and job cuts, suppress any resistance to them and divide workers by playing off one location against another. The "bidding contest" between the Ford plants in Saarlouis and Valencia, in which both the German IG Metall and Spanish UGT unions participated, is only the shabbiest form of this rigged game.

Yet the restructuring of the auto industry is only one front in the capitalists' global offensive against the working class. The dramatic rise in inflation—a consequence of trillion-dollar state giveaways to the financial markets and the NATO offensive against Russia—is driving countless working class households into poverty and hardship. The "profits before lives" policy in the pandemic has caused millions of deaths worldwide and lifelong illnesses for even more. The vast sums spent on rearmament and war are being recouped through cuts in education, health care and social services.

While millions of workers worldwide are losing their livelihoods, the fortunes of shareholders and the multimillion-dollar salaries of top managers continue to grow.

Saarland, located in the border triangle of Germany, France and Luxembourg with a population of just under 1 million, has been particularly hard hit by this upheaval. Its economic development shows great parallels to the Ruhr area.

Here, as there, the coal and steel industries were at the centre of economic life until the postwar period. In 1960, more than 125,000 people were still employed in Saarland's mining and steel industries; by the early 1970s, this figure was less than half, and unemployment had risen above 15 percent.

The colliery die-off began in the 1960s and lasted until 2002. The announcement of the closure of the Ford plant in Saarlouis fell almost exactly on the day the last colliery closed 20 years ago. Mining's demise was accompanied by the winding up of the Saarland steel industry. In the meantime, of the more than 125,000 people employed in coal and steel, only around 7,000 steelworkers from Saarstahl and Dillinger Hütte remain.

The shutdown of Saarland's coal and steel industries earned Oskar Lafontaine, as Social Democratic Party (SPD) state premier, and Peter Hartz as labour director of Dillinger Hütte and Saarstahl, among others, their spurs to take on higher tasks. IG Metall and SPD member Peter Hartz, whose brother Kurt headed the IG Metall in Völklingen for three decades, became head of human resources at the VW Group in 1993 and in 2002 devised the "labour market and welfare reforms" named after him for Chancellor Gerhard Schröder (SPD).

Like the Ruhr area, where a new Opel plant began production on a former coal mine site in 1962, the state government sought to attract automotive companies to Saarland in an effort to mitigate the effects of the coal and steel crisis.

In 1968, production of vehicle components for other Ford plants and for Renault began in Saarlouis. The first Ford, an Escort, rolled off the line on January 16, 1970, with 2,000 workers employed at the time. The plant was Ford's 14th production facility in Europe.

For the company, the choice of location was a profitable decision. It secured advantages over competitors in the rapidly growing European market. The geographic location in the border triangle was advantageous for supplies and exports. And the federal and state governments granted Ford massive concessions and subsidies.

Because of rising unemployment due to the slow death of coal mining, then-Chancellor Ludwig Erhardt had become involved in negotiations with Ford. At the plant's opening ceremony, Henry Ford II said that the company had chosen the site "also because of the encouragement and support we received from the government

of the Saarland and from the German government.”

Since 1970, more than 15 million cars have been produced in Saarlouis. Eighty percent of these were exported to more than 80 countries worldwide. From 2,000 in 1970, the workforce grew to 4,600 in 1971 and 8,100 in 1978, the highest number in the plant’s history. Thereafter, the workforce size fluctuated with the change of models and the ups and downs of sales.

The pace of work and productivity were continuously increased. In 1987, for example, Ford became one of the first automakers to introduce “just in time” delivery of vehicle components, reducing inventory costs and outsourcing entire production areas to cheaper suppliers.

Just one year later, Saarlouis became the pilot plant for the introduction of “just in sequence.” “Just in time” was thus extended to all models produced at the plant. Suppliers delivered the parts and components for pre-planned simultaneous production of the various models.

Ten years later, in 1998, the Ford Saarlouis Industrial Park was created right next to the auto plant, where suppliers set up their production facilities in the immediate vicinity of the factory. The Saarland state government subsidized the construction of the facility to the tune of €100 million. Some of the supplier parts are transported directly to the Ford assembly line via electric monorail systems or tunnels.

Just a few years ago, Ford announced it had installed a new hot forming plant in the new Boron hall, on an area of about 6,000 square meters, roughly the size of a soccer field. This can process ultra-high-strength and particularly lightweight boron steel components on site and has—at that time the only one in the automotive industry—a fully automated unloading process. Workers hope that at least this modern facility and the entire stamping plant will remain in place after 2025.

The Saarlouis plant also underscores the essential unity of the working class, regardless of national identities. Workers from France and Luxembourg work together with their colleagues from Germany. In 2015, more than 1,000 workers crossed the border every day, including 600 French nationals. The families of many of the plant’s workers come from Turkey, Yugoslavia, Italy, Spain, Morocco and other countries.

As recently as 2019—just before the final round of layoffs—7,200 people were still working at Ford in Saarlouis. A year earlier, the new works council under Markus Thal took up office. Shortly thereafter, in December 2018, the first step was taken to halt production. At that time, it was announced that Ford would end production of the C-Max in June 2019, contrary to a works agreement that guaranteed production until the end of 2019. As a result, the night shift was cancelled, and 1,600 jobs were cut.

At the time, the current IG Metall Völklingen Director Lars Desgranges reacted to management’s decision to throw the old company agreement in the trash by demanding a new one. “And that’s when we say: If we really have to give up the C-Max in order to develop a perspective for this plant, then we also want to have this perspective agreed upon in a works agreement. We want long-term security for the site with investment commitments.”

Ford never made such a commitment. Instead, 1,000 more jobs were eliminated; the workforce currently stands at just under

4,600. Again and again, the cutbacks were supported by the IG Metall works council representatives with empty promises that they served to “secure the production location.” The workforce was therefore shocked when Ford announced three weeks ago that it would end production and thus, in all likelihood, will close the plant in 2025.

What is about to happen is a catastrophe, not only for the workers directly affected but for future generations as well. It is time to learn the lessons from the experiences of Ford workers, many of whom have spent more than half their lives at the plant.

The times when lost jobs were replaced by jobs of equal value are long gone. If new jobs are created, they are at most those at minimum wage, mostly in the logistics sector. In the Ruhr city of Bochum, where three Opel plants once employed 20,000 workers, DHL now operates a large logistics centre on the former plant site, and the Ruhr University has various research facilities. All that remains of Opel is a newly built European central warehouse with 700 employees.

The “bidding competition” between Valencia and Saarlouis, in which the works councils of both plants sought to outdo each other with proposals for more profitable production, have also served to reduce production costs through huge job cuts, wage reductions, longer working hours, more flexible shift models, overtime and so on. Even if the Valencia plant remains, which is by no means certain, the workers there will face much worse conditions.

It is necessary to take up the struggle to defend all jobs, wages and social rights. This requires breaking with the unions and building independent rank-and-file action committees to organize the struggle against the plant closure and build links with workers in other sites and countries. The International Committee of the Fourth International and the Sozialistische Gleichheitspartei (Socialist Equality Party) have established the International Workers Alliance of Rank-and-File Committees (IWA-RFC) for this purpose.

The building of independent action committees is directly linked to the struggle for a socialist perspective. Without breaking the power of the big corporations and the financial aristocracy, not a single problem can be solved. Only the expropriation of the corporations and banks without compensation creates the conditions for the democratic control over production. Only then is it possible to develop production according to a plan in the interests of the working class and social needs.

Worldwide, huge class struggles are brewing, and in some countries, such as Sri Lanka, they are already well advanced. In this context, all Ford jobs must also be defended.

Get in touch with the Ford Action Committee! Send a WhatsApp message to: +491633378340



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