

Ford Cologne: General Works Council warns of plant closure

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The Chairman of the General Works Council of Ford in Germany, Benjamin Gruschka, has warned of the insolvency of Ford's German subsidiary and is thus preparing the workforce for the gradual closure of the main plant in Cologne, costing the jobs of almost 13,000 workers.

The background to the warning by Gruschka and the IG Metall union is the cancellation of an agreement with the US parent company that had been in place since 2006 to compensate for losses incurred by its subsidiary in Europe. Instead, the company headquarters has announced a final financial support for Ford Europe totalling €4.4 billion.

John Lawler, Vice Chairman of Ford Motor Company, explained that Ford would use the "new capital" to promote the transformation of its business in Europe and strengthen its "competitiveness with a new product range." However, he did not announce new models, but rather new attacks: "To be successful in Europe in the long term, we must continue to simplify our structures, reduce costs and increase efficiency."

In an interview with the *Financial Times*, he called on the European Union and the German government to do more to accelerate the transition to electric vehicles and reduce costs in order to compete with Chinese rivals. In the same breath, he announced further "tough decisions."

The works council and IG Metall will support the "tough decisions," as they did with the closure of the Ford plant in Saarlouis and enforce them against the workforce.

The works council is currently negotiating with the company on the conclusion of a so-called "social collective agreement," i.e. the closure of the plant. Ford plans to cut 4,000 jobs in Europe by 2027, with 2,900 of them at the Cologne plant alone.

According to broadcaster *Westdeutscher Rundfunk*, the model for this social collective agreement "is likely to be the plant closure in Saarlouis, where the last car will roll off the production line at the end of the year and it was possible to negotiate high severance payments for some of the employees."

The Ford workforce in Cologne should be alarmed. The

start of negotiations on a social collective agreement in Saarlouis signalled the final end for the plant. The broadcaster says that there are no signs of hope that production will continue in Cologne. "Only marginal numbers of the current expensive and large electric cars are being sold. A smaller, better-selling car is not in sight."

So what exactly is the works council in Cologne currently negotiating? David Lüdke, head of the shop stewards' committee at the Ford plant in Niehl, called the cancellation of the letter of intent a "very dirty trick." The plan was to "put pressure on the works council in the worst possible way to get them to agree to the planned change in operations."

What does he mean by that? There is much to suggest that the IG Metall and its works council reps are already negotiating the closure or at least partial closure of the Cologne plant. The works council will claim that the operational change concerns the 2,900 jobs that will be cut in Cologne. But is this the "operational change" that Lüdke is talking about? Industrial relations law describes various measures that, individually or in combination, count as a change in operations: the "reduction and closure [or relocation] of the entire operation or significant parts of the operation," the "merger with other operations or the splitting of operations," "fundamental changes to the organisation of the operation, the purpose of the operation or the operating facilities" and the "introduction of fundamentally new working methods and production processes."

In any case—as can be seen from the statements made by the union representatives—Ford wants to end the exclusion of compulsory redundancies, which contractually applies until 2032. "In order to achieve this goal, the company would now expose the Cologne site to an acute risk of insolvency, according to the union," says *Westdeutscher Rundfunk*.

The exclusion of "compulsory redundancies" is being used by IG Metall to push through the biggest attacks. At VW, the union used this argument to agree the destruction of 35,000 jobs—more than one in four—and a reduction in real wages of up to 20 percent.

Gruschka also hints at similar and even greater attacks. In

an interview with industry weekly *Automobilwoche*, he says that the withdrawal of the letter of intent means that “the Ford Motor Company is withdrawing the insolvency protection of its German subsidiary from the parent company.” He told the press that in view of the low sales figures for electric cars produced in Cologne, the question was on the table as to how bills would be paid in future if the US parent company did not guarantee them. In the worst-case scenario, insolvency and the loss of more than ten thousand jobs would be imminent.

The works council planned to inform the workforce at a factory meeting Wednesday and has called for a protest meeting outside the Ford premises on Saturday.

The works council is just as unwilling to defend jobs in Cologne as it is in Saarlouis. It sees its role as implementing the attacks demanded by the company. The IG Metall representatives around Gruschka are already positioning themselves to prevent effective resistance, which can only be successful if conducted internationally.

The closure of the plant in Saarlouis was achieved not least by pitting workers there against those in Almussafes (Valencia) in Spain. As a result of the closure in Saarlouis, 9,000 jobs at Ford and its suppliers have been destroyed; in Almussafes, fewer than 3,000 jobs remain out of more than 9,300.

In November last year, we wrote: “While the IG Metall was organising the closure of the Ford plant in Saarlouis, it kept the workforce in Cologne quiet with the promise that the investment of two billion euros in the Cologne plant and the switch to pure e-car production would secure their future. Now that the plant in Saarlouis has largely been shut down, it’s Cologne’s turn.”

This is why the head of the General Works Council, Gruschka, is now trying to divide Ford employees in Germany from the European workforce. It is a disadvantage for the German Ford-Werke GmbH that the weak sales of all Ford passenger cars in Europe are booked via its balance sheet, while the profitable commercial vehicle business—Ford has been the market leader in Europe here for years—is handled via the books of Ford’s British subsidiary.

Automobilwoche, with which Gruschka spoke, likens the German Ford plants in this constellation to a “bad bank.” The “end of the comprehensive guarantee for the German Ford organisation could lead to a concentration of Ford’s loss-making activities in Europe in German Ford Werke GmbH.” This would be similar to the concept of a bad bank, in which all the risky and poorly performing business units are bundled together in one company in order to protect the entire group from the insolvency risk of a subsidiary.

By lining up American and European, German and British, Romanian or Turkish workers against each other, Ford hopes

to be able to impose the consequences of trade war on the workforce.

The all-out economic war that President Donald Trump is escalating is leading to huge attacks on workers all over the world, including Europe and in the US itself. It is being fought on the backs of workers. Trade war will inevitably lead to a shooting war if the international working class does not intervene. That is why the next German government is preparing an armaments programme costing billions.

IG Metall and its works council reps are lining up behind “their” government as well as “their” corporations on this issue. War and massive job destruction are directly linked. In order to actively oppose this, it is necessary to organise independently—from IG Metall and its works councils as well as from all capitalist parties and their appendages that in one way or another support the insane policy of rearmament and war.

From the outset, the Ford Action Committee, which was formed against the “bidding war” between Saarlouis and Almussafes on the initiative of the WSWS, has opposed the conspiracy of the works council, the trade unions and top management. It has insisted that a new political orientation is needed to resist the blackmail of management and the works council, a perspective based on the common interests of all workers, opposed to the logic of the capitalist profit system that union officials defend tooth and nail.

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