CHAPTER 13
Volvo–Ghent: A Third Way?
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Introduction

Although Belgium is by far the largest automobile assembler per capita in the world, the five car assembly plants [1] located in Belgium enjoy scant attention within international literature on the organisation of work. Volvo’s major assembly plant of the 850-model in Ghent is probably the one most often referred to, because of the widespread interest in Volvo’s production concepts. In such references, the Ghent plant is described as a traditional Fordist plant. One of its features is that “the assembly line regime was never questioned at Volvo’s car factory in Ghent”, as Berggren (1992, p. 14) correctly states.

Equally the plant is well known for its outstanding performance in productivity compared with the other Volvo plants. This, in combination with its perceived traditional stance on work organisation, is considered as a contributing factor to the demise of Volvo’s ‘alternatives to lean production’. While Berggren formerly argued that “although Uddevalla was still far behind in productivity, reaching the goal of Ghent did not seem to be an impossible task given sufficient time” (Berggren, 1992, p. 165), as soon as closure was announced, the productivity gap between this ‘traditional’ plant and that aimed for by the Swedish assembly plant was singled out as one of the underlying reasons for the decision (Sandberg, 1995, p. 92).

There is however a lack of substantive information to these qualifications on how Volvo’s assembly plant in Ghent operates. Even so, there is an obsession in trying to equalise assembly line production to that of the short-cycled and mechanically paced work produced by the Fordist production concept. Advocates of Volvo’s radical shift in production lay-out emphasise the need to change the technology that chains workers to the assembly line when re-organising work. In the end, they argue, repetitive and restricted work can only be overcome by parallelisation and complete assembly.
Certainly, the short-cycled, repetitive and mechanically paced work entailed by the assembly line severely constrains options in work organisation. Equally, it is correct to say that Volvo-Ghent strictly adheres to line-assembly throughout its production process, and as such its classification as a ‘Volvo’ factory seems inappropriate when referring to the plant. However, as we attempt to point out, this sole characteristic of the production process is insufficient to qualify the plant as Fordist, and cannot help us to understand plant management’s efforts to alter work organisation and the job content of production workers.

How Volvo-Ghent developed

Starting as a low-volume final assembly plant, Volvo-Ghent acquired an increasingly important role within the company, actually emerging as Volvo’s biggest production facility outside Sweden. The decision to erect the plant in Ghent was taken in 1963 in the wake of the creation of the EEC. Since imported cars were taxed by the (then) six members of the EEC at 22%, it was important for Volvo to establish a foothold in this important market that could operate under similar circumstances to its European competitors. Because the number of vehicles grew rapidly and transportation and repair costs, because of the transfer of painted bodies from Sweden, soared, the plant was equipped in 1972 with a body and paint shop. In subsequent years, the fate of the plant was not without its problems. In the mid 1970s, output fell dramatically and the just-installed two-shift production process had to be switched back to one-shift production. More recently, in 1990 output dropped steeply again. In an effort to limit stocks of unsold cars in a slack market, production was halted for 24 days and the speed of the line was reduced.

However, the simultaneous phasing out of the 740 and 950 models and the phasing in of the new 850 model in that year would prove to be a turning point. On the one hand, output increased steeply, involving the plant in a continuous struggle to meet the huge demand for the 850 model. As it was assigned, for the first time in its history, the exclusive production of a new model, the plant benefited fully from these increases in demand. Built at a capacity of 90,000 units, the plant finally realised an output of over 150,000 units in 1994, by moving to three-shift production in the