

Volkswagen plans closure of 3 plants in Germany, cutting tens of thousands of jobs

Ulrich Rippert
28 October 2024

With Volkswagen management planning a radical cost-cutting program, Central Works Council Chairwoman Daniela Cavallo, of the IG Metall trade union, announced yesterday that at least three German plants are to be closed and tens of thousands of jobs cut.

On Monday morning, the works council invited workers to information meetings at all German plants. Some 25,000 employees gathered at the main plant in Wolfsburg alone. A works council leaflet, which was distributed en masse on Monday, begins with the words: “It is a declaration of war of historic proportions on its own workforce and entire home regions at the heart of the Group.” It continued:

In connection with job losses for tens of thousands of us, the Board of Management intends to enforce the following: close at least three VW factories in Germany, shrink virtually all plants still existing in Germany, also separate from previous core areas and, on top of that, enforce massive pay losses for the remaining employees.

All this is “not sabre rattling” as a tactic in the current round of collective bargaining, the VW works council explained, as the board really wants all this and considers that the cost-cutting plan has “no alternative and no room for concessions.” The Central Works Council was informed in advance, but the Board of Directors refused to come clean to its own employees. “That is why your works councils are now forced to inform you about this.”

The financial daily *Handelsblatt* quoted from an internal strategy paper, which is referred to as a “poison list” in management circles. According to the paper, further massive social attacks are planned. They include, among other things, major wage cuts, the outsourcing of individual administrative areas and pay freezes for the years 2025 and 2026.

Chief Human Resources Officer Gunnar Kilian said in a media release that the Board of Management had decided not to disclose any further details about the planned measures in the cost-cutting programme: “We adhere to the principle agreed in

codetermination to first conduct the discussion about the future of Volkswagen AG internally with our negotiating partners.”

On Wednesday, negotiations between management and IG Metall on a new company collective bargaining agreement will enter the second round. During the first round in September VW rejected IG Metall’s demands for a 7 percent wage increase and instead pushed for savings. According to Cavallo, VW is now demanding a 10 percent wage cut and pay freezes in the next two years.

Many VW workers are shocked. The largest European carmaker already announced a “cost-cutting policy” in the summer and terminated the employment guarantee that had been in place for decades. But Monday’s announcements exceeded all fears. The VW Group has long been known in Germany for relatively high wages and social benefits with jobs considered crisis-proof, from apprenticeship to retirement.

The works council chief’s apparent indignation on Monday was, however, all for show. In truth, the works council is involved in all management discussions and is directly involved in the preparation of the plans to shut plants. The works council and IG Metall are responsible within management for designing the social attacks in such a way that resistance to them can be suppressed. The confidentiality up to now was also agreed upon and the announcement now made by the works council two days before the next round of negotiations was deliberately calculated.

Cavallo and her IG Metall colleagues speak of an attack “on us” and try to present themselves as representatives of workers’ interests. The reality is the opposite. The fact that the works council speaks of “historic” attacks, but has so far not initiated any combat measures against them, shows this. In no other German company is the cooperation between the owners, management and trade unions as close and sophisticated as at Volkswagen.

Head of Human Resources Gunnar Kilian, who is responsible for the plan to shutter plants and for layoffs, was General Secretary of the works council before moving to the Board of Directors. He was considered the “closest confidant” of Cavallo’s predecessor Bernd Osterloh and his “mastermind.”

The VW Group has in the past been described as the epitome of social partnership and as a “German codetermination

model.” IG Metall and the works council, together with an army of full-time officials, ensure that the decisions of the Executive Board and Supervisory Board are implemented smoothly.

The head of IG Metall traditionally serves as Deputy Chairman of the Supervisory Board of the Group, assisted by the works council, which, due to statutory codetermination, together with IGM, occupies half of the Supervisory Board. The other half is accounted for by Porsche Holding, which is controlled by the Porsche and Piech families and owns 53 percent of the ordinary shares, the Emirate of Qatar (17 percent) and the Social Democratic Party-governed state of Lower Saxony (20 percent).

The VW Group is thus practically dominated by a triumvirate of trade unions, works councils and the SPD. Ex-IGM head Jörg Hofmann, General Works Council Chairman Daniela Cavallo and Lower Saxony Minister President Stephan Weil (SPD) sit on the eight-member Supervisory Board, where all important decisions are discussed.

In order to repel the planned attacks and to defend all plants and jobs, it is necessary to break the conspiracy of the trade union apparatus, works council and SPD and to initiate a genuine struggle. This requires the establishment of independent rank-and-file committees in which all VW workers who seriously want to fight join forces. The first initiative has already been taken last month with the founding of the VW Rank-and-File Committee.

Rank-and-file committees already exist in several car plants and have joined forces to form a network. It is part of the International Workers Alliance of Rank-and-File Committees (IWA-RFC), which coordinates the growing struggles of the working class worldwide. The development of rank-and-file committees at VW must be geared towards making the fight against the savage cost-cutting at VW part of a systematic, international counter-offensive by workers throughout the automotive and parts industries.

The cost-cutting at VW is part of a global offensive by the car companies, which—supported by national governments and trade union bureaucracies—are fighting a bitter battle for market share and higher returns, and are using the switch to electric mobility to lay off hundreds of thousands.

Ford is shutting down its plant in Saarlouis and is now attacking the workers in Cologne and Valencia. With Stellantis, “hardly a stone remains on top of another,” as the daily *FAZ* writes. The CEO Carlos Tavares, who is notorious as a “cost killer,” is destroying thousands of jobs in the US and Italy. The Opel plant in Eisenach is not spared either, and of the 15,000 jobs that once existed at the Opel main plant in Rüsselsheim, only 8,300 remain.

A veritable massacre is taking place in the supplier industry. ZF Friedrichshafen is destroying 14,000 jobs and Continental 7,000. Almost daily, smaller companies with several hundred employees close. The software group SAP is also cutting

10,000 jobs, ThyssenKrupp is cutting its steel division, the chemical group Bayer is destroying 5,000 jobs and BASF is closing two sites in Cologne and Frankfurt-Höchst.

The crisis of the capitalist system is intensifying and massive social attacks are being enforced in order to increase profits not only in Germany and Europe, but worldwide. In the US, striking Boeing workers are facing very similar attacks and have already twice rejected a miserable collective bargaining agreement backed by the union bureaucracy.

The unrestrained pursuit of profit by billionaires and speculators not only exacerbates exploitation, but also leads to war. The hunt for raw materials, markets and cheap labour develops into an economic war with trade restrictions, punitive tariffs and subsidies, and finally into a military conflict.

For example, the US is now imposing import tariffs of 100 percent on electric cars from China. At the same time, they are surrounding the economically rising country militarily and systematically preparing for war. The EU has imposed similar import duties—albeit at a lower level.

Germany has used EU enlargement to increase its economic dominance in Eastern Europe. It supports the NATO proxy war against Russia in Ukraine in order to force regime change in Moscow and bring the huge country with its raw materials and energy sources under the direct control of the German economy. The economic and energy crisis exacerbated by this is now being passed on to the workers using increasingly brutal methods.

The fight to defend jobs, wages and social standards is therefore inextricably linked to the fight against war and military rearmament as well as the defence of democratic rights. It must be conducted on the basis of a socialist perspective. Without breaking the power of the billionaires, banks and large corporations, not a single social problem can be solved. The banks and major corporations must be expropriated and placed under the democratic control of the workers.



To contact the WSWs and the Socialist Equality Party visit:

[wsws.org/contact](https://www.wsws.org/contact)