

Reject the union's sellout!

# IG Metall approves 35,000 job cuts and billions in wage reductions at VW

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IG Metall and the Volkswagen (VW) works council under Daniela Cavallo have agreed to cut 35,000 jobs in Germany and reduce wages by billions of euros. Resistance to this must immediately be organized.

“It is a truly, truly historic week.” This is how IG Metall opened its press conference yesterday evening, announcing its complete capitulation to the profit interests of Volkswagen shareholders. The sellout that IG Metall and the Works Council want to push through is indeed “historic.” Never before has there been such a clear-cutting in such a short space of time in the German car industry.

Cutting one in four jobs in Germany by 2030, permanently reducing production capacity by 734,000 units (roughly equivalent to the capacity of the main plant in Wolfsburg), foregoing wage increases for years, cutting bonuses and vacation pay—Cavallo describes all of this as a “rock-solid solution.” This will save the company €15 billion per year, €1.5 billion of which will come from wages.

The union justifies its capitulation by saying that redundancies and plant closures have been ruled out. Job security will be reintroduced and extended until 2030.

What a mockery! The 35,000 jobs will disappear forever, even if they are made redundant through partial retirement arrangements, severance payments and similar mechanisms instead of compulsory redundancies. And what about the hundreds of thousands who work in supplier companies and businesses that are dependent on VW and its workforce? They will lose their jobs without any social security.

According to media reports, the collective bargaining parties “wrestled” for more than 70 hours over five days to reach an agreement. In fact, the whole thing was a set-up. The result was only announced on Friday evening, at the start of the Christmas holidays, to prevent a spontaneous uprising among the rank and file.

IG Metall and the works council agreed to almost everything—and in some cases exceeded—what the company demanded of them. In the run-up to the collective bargaining

round, the latter had demanded 30,000 job cuts, the closure of up to three plants, a reduction in capacity by 500,000 units and a 10 percent wage cut.

IG Metall had already proposed a reduction in wages before the collective bargaining round, and management has now largely adopted this proposal. It has decided against the requested nominal wage reduction of 10 percent. Instead, wages will be frozen for years and reduced in this way.

Bonuses and vacation pay are also being cut. The collectively agreed May bonus payments and vacation pay will be discontinued in 2026 and 2027 and will not return to their previous level until 2031. The anniversary bonus will also be cut. In the coming years, only 650 trainees will be taken on instead of a possible 1,150.

“No plant will be closed,” claims IG Metall. This is only the case in the short term. Vehicle production at the Dresden plant, which currently only has 300 employees, will end at the end of 2025. An “alternative overall concept is being developed” for the time after that. The VW plant in Osnabrück with 2,000 permanent employees—most of the almost 1,000 temporary workers have been made redundant—will build the T-Roc convertible until late summer 2027, when it will be sold or closed.

The other plants are also only secured for the short term. The reduction in capacity to the tune of 750,000 vehicles heralds the gradual closure of plants. Alexander Krüger, Chief Economist at the private bank Hauck Aufhäuser Lampe, predicts in *Wirtschaftswoche*: “Competitive price pressure will probably require further adjustments at a later date.”

The all-electric vehicle plants in Emden and Zwickau in particular were considered candidates for closure. Now, only the production of the Audi Q4 e-tron remains in Zwickau, and that of the ID.7, the ID.7 Tourer and, from 2026, the new ID.4 ReSkin in Emden. Capacities are also being reduced at all other plants, with Wolfsburg handing over the production of the Golf to VW’s Mexican plant in Puebla in

return for a commitment to build the ID.Golf.

Politicians and the VW Group reacted enthusiastically to the sellout agreement. “With the package of measures achieved, the company has set a decisive course for its future in terms of costs, capacities and structures,” said VW CEO Oliver Blume.

German Chancellor Olaf Scholz described the agreement as good news, and Lower Saxony’s Minister President Stefan Weil, who sits on the VW Supervisory Board as the state holds 20 percent of VW shares, said: “It has become a huge package that secures the future of Volkswagen in the long term.”

Exactly what the *World Socialist Web Site* and the Socialist Equality Party have been warning about in recent weeks has come to pass. The collective bargaining commission under Thorsten Gröger as the union’s chief negotiator and Daniela Cavallo as Chair of the Group’s General Works Council did not “negotiate” in the five rounds of collective bargaining. They have instead hashed out with the Executive Board on the mechanisms by which the attacks on the workforce demanded by the shareholders—above all the billionaire Porsche-Piëch family—can be enforced.

What trade union and works council officials still refer to as “social partnership” and “co-determination” is a conspiracy with the management boards and owners against the employees. They have no “co-determination.” If the trade union and works council have their way, there will be no vote by the workforce on the agreement.

Resistance must be organized against this. Colleagues who really want to fight must set up independent action committees that fight for the social interests of the workforce and not for the profit interests of the shareholders.

It is important to look beyond the plant gates. Because the dispute at VW is only the clearest expression of a “*Zeitenwende*” (“turning point”) in social policy. Just as the ruling class is once again relying on rearmament and military force in foreign policy, it is relying on confrontation in social policy.

The globally operating car companies are waging a fierce battle for profits and sales markets, which they are fighting on the backs of the workforce. At the same time, they lobby governments for subsidies and the elimination of environmental regulations. As the third party in this alliance, the trade unions are responsible for implementing the attacks on the workforce.

IG Metall, the SPD and all the other parties in the Bundestag were determined to prevent 130,000 VW employees from going on strike in the middle of the Bundestag election campaign and waging a counteroffensive which would have thwarted their plan to bring an

unscrupulous right-wing government to power which will attack the working class head-on.

Workers must oppose the attack on jobs, wages and rights far beyond the car industry. VW employees must not allow themselves to be drawn into the “Darwinian struggle for survival” of the big car companies by the trade union and works council.

Build the VW Action Committee and demand:

- **No contract agreement without a vote!** The IG Metall bargaining commission has no mandate to negotiate cuts. The demands were seven percent more wages and salaries, not wage cuts and plant closures. Every negotiation result must be submitted to the entire workforce for a vote! The details of the agreement must be fully disclosed.

- **Not a cent for dividends!** The right to work and decent wages is more important than the profit interests of the investors. The billions that have been handed over to the owners, above all the Porsche-Piëch family and the sheikhs from Qatar, must be invested in the production of good and cost-effective cars.

- **Immediate convening of works meetings in preparation for an indefinite all-out strike!** Rank-and-file action committees made up of workers who really want to fight for the interests of the workforce must be set up at all sites.

- **For international co-operation and unity of the workforce!** Delegations of militant workers from the action committees elected at plant meetings must make contact with the VW employees worldwide, in Europe, the US, South America, Asia and Africa.

*Get in touch with us to take action now. Send a message via WhatsApp to +491633378430 and register using this form.*



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