

# Volkswagen: 700 workers lose their jobs in Germany

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Contract workers and temporary employees are invariably the first ones to lose their jobs when it comes to redundancies. This applies fully to the Volkswagen Group in the wake of the company's diesel exhaust fraud scandal. Last week nearly 700 contract and short-term workers were dismissed at the VW plant in Zwickau, Saxony.

The VW board is using the company's current crisis to make long-planned cuts in its workforce. In so doing it relies heavily on the IG Metall trade union and its related works councils. Even prior to the revelations of the diesel scandal in September 2015, shareholders were demanding increased dividends and profits, particularly in the core VW auto sector where profits stood at just 2 percent.

The latest job cuts in Zwickau were in fact first announced in December 2015. The local council member Jens Rothe declared resignedly last week that it was "Not a good day for Zwickau," while Stefan Kademann from the IG Metall spoke of an "unfortunate" development.

In reality, IG Metall and the works council continue to play off contract workers against the company's permanent staff. Rothe stated there was no possibility of continued employment for temporary workers and workers with short-term contracts, because the company had to cut costs due to general pressure, and in particular because the production of the Phaeton model in nearby Dresden was one of the first casualties of the exhaust fraud.

"First, we had to make room for our colleagues in Dresden," Rothe said. Around 400 of them have been transferred to the VW plants in Zwickau and Chemnitz.

Overall, VW employs approximately 10,000 full-time workers in the state—the majority of them at the plant in Zwickau. A spokesman for VW Saxony declared that

160 workers had been offered work at the Porsche factory in Leipzig, where production is due to start on the new Porsche Panamera.

Nine hundred thirty temporary workers at the VW transmission plant in Kassel also fear for their jobs. The local VW works council head Carsten Baetzold said in late April that 526 temporary contracts due to end in September would initially be extended by six months. He also called for a renewal of the contracts for 404 additional temporary workers, which are due to expire at the end of the year.

Whether this will happen is far from certain. The director of the local plant, Thorsten Jablonski, has said that the plant had enough orders (in April) but the situation remained unclear for the coming years.

"It is impossible to specify at the present time what effect the transformation from fuel driven autos to electric-mobility will have on the number of factories by 2020 or 2022," Jablonski said. Should it be concluded that there were too many jobs remaining, then cuts would have to be made in the near 16,000-strong core workforce.

Last week, VW CEO Matthias Müller presented the company's "Strategy 2025" with the backing of Bernd Osterloh, the central works chairman. It is clear that the new policy will provide the framework for massive attacks against the VW workforce worldwide. The company's goal of making the group the leading mobility service provider and manufacturer of electrical and self-driving cars by 2025 will inevitably mean the destruction of jobs, wages and benefits.

This also means attacks on the company's core workforce, whose social entitlements and relatively high wages are regarded as an obstacle to increased competitiveness by management. The contract workers and temporary workers who are losing their jobs in

Zwickau are the first to suffer from the criminal activities of the VW group.



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