

# Volkswagen plans to dismiss all temporary contract workers in German plants

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8 January 2018

On 4 January, the *Tagesschau* newspaper reported that the Volkswagen Group plans to dismiss its entire temporary contract workforce by 2020. The move is a consequence of the “Future Pact” agreed by VW, the IG Metall union (IGM), and the German automaker’s works councils one year ago.

A statement by the company read, “Unfortunately, we cannot continue to take over (temporary contract) staff as in previous years...Volkswagen and the entire auto industry is undergoing profound changes for which the Volkswagen brand has prepared with its Future Pact.”

The decision applies to the 400 temporary workers currently employed in the company’s main plant in Wolfsburg as well as temporary workers in other VW factories. In December temp contract workers demonstrated at the company’s commercial vehicle plant in Hanover to oppose 200 impending job cuts. In the end, 60 temp workers received contract extensions, 47 were transferred to the VW plant in Kassel and over 90 lost their jobs.

The 200 temporary workers had been hired at the Wolfsburg plant in 2015 through VW’s own temporary employment agency, Autovision, and transferred to the VW plant in Hanover in the spring of 2017. The temporary workers had hoped they would obtain full time positions based on the company’s “good order situation.” The fact that they have been thrown in the streets, despite the company’s full order books, has provoked widespread anger.

To add insult to injury, the laid-off workers are going to be replaced by other temporary workers currently employed in the VW plant in Osnabrück. Three hundred of these workers were previously employed at the VW factory in Emden. They were transferred to Osnabrück last April as part of the “Future Pact” plan. One hundred of the workers returned to Emden at the beginning of the year and those who are now working in Hanover are

supposed to return to Emden in 2019.

The shunting of workers from plant to plant and city to city serves, above all, to disorient and discipline them. With the assistance of IG Metall and the works council, the company is able to hang the Damocles sword of job losses over the heads of these workers.

As a consequence of the Future Pact around 30,000 jobs are due to be slashed during the next few years, or more than one seventh of the company’s total workforce of 200,000 worldwide. In Germany, 23,000 jobs are to be axed. While temporary workers are the first to lose their jobs, the same fate awaits workers employed by other automakers such as Porsche or plants formerly owned by GM-Opel.

VW personnel manager Karlheinz Blessing and works council chief Bernd Osterloh—both longtime functionaries of the Social Democratic Party and IG Metall—have worked closely to prepare and enforce the bloodletting of jobs.

Blessing joined the SPD in 1974 and was active in its youth movement in Baden-Württemberg. In 1984, he was promoted inside the union to become office manager of IGM chief Franz Steinkühler. In 1991, Blessing moved from the IGM headquarters to the SPD headquarters and for two years was federal director of the SPD. He was then appointed head of personnel at the Dillinger Hütte steel works and earned his spurs slashing jobs in the steel industry of Saarland.

SPD and IGM functionaries sit on both sides of the negotiating table in the VW headquarters in Wolfsburg to finalise the company’s job cuts. Osterloh defended the latest dismissals in a detailed interview with the *Wolfsburger Allgemeinen Zeitung*. “The Future Pact is a success. We have already realised savings of around two billion euros.” Volkswagen is also on course with its retirement scheme, Osterloh declared, noting that “9,200 colleagues have opted for early retirement.” The Future

Pact, he said, ensures “that the VW brand has the financial power to invest in its future products.”

Osterloh claimed the dismissal of temporary workers was less a consequence of the Future Pact and more a result of declining capacity utilization, even though the company chalked up record sales in 2017.

In the first half of 2018, the VW Works Council chief “called upon the company to consider how we deal with temporary work in future,” suggesting, “In future, Volkswagen should employ people directly for a limited period of time,” instead of through a temp agency. “Then at least the plant management can discharge colleagues when their contracts expire,” he declared.

In his interview Osterloh also indicated that the company planned to reduce the number of apprenticeships. In any event, the company’s plans to switch to electric-powered vehicles, together with more automation, mean the current job cuts are only the beginning. Significantly less workers are needed to produce electric motors, *Spiegel Online* wrote recently, citing representatives of IGM, that at VW “10 to 15 plants will become redundant.”

These developments form the background to the current negotiations in the German metal and electrical industry. Wage contracts covering 3.9 million steel, auto and engineering workers expire at the end of January.

IGM officials are proposing a reduction in weekly working hours to 28 from 35—with a right to return to full-time hours after two years—for shift workers and those caring for children or other relatives. However, only workers in the lowest pay groups would receive any sort of compensation for shorter work hours. Meanwhile, IG Metall is calling for a 6 percent wage increase.

There is popular support for reduced working hours. The union regularly sanctions “exceptions” to the 35-hour week, including weekend work, when production needs demand it. IG Metall’s proposal, however, has little to do with improving “work-life balance” for workers caring for children and elderly parents. Its chief concern is mollifying the rank-and-file opposition that will erupt over the coming restructuring and downsizing of the auto industry and its impact on thousands of full-time workers.

In December, IG Metall and the works council reached a job-cutting deal, cynically referred to as a “social framework agreement for a sustainable future” with the French PSA Group, which is planning to eliminate as many as 4,500 of the 19,000 jobs at Opel plants in Germany, which PSA took over from General Motors. The scheme includes early retirement packages, increased

“internal mobility” and shorter hours under a scheme dubbed a “new mobile working programme,” supposedly to “contribute to the employees’ work-life balance.”

Under IGM’s proposal for VW, part-time workers presently working longer than 28 hours would be compensated for their lost hours and would make more money than part-timers currently working 28 hours. The latter would also not have a right to full-time employment, in contrast to those who benefit from the contractually agreed reduction in working time.

VW is rejecting the proposal based on its specious concern about upholding the “equal treatment of workers.”

For years VW and many other German companies, with the assistance of IGM and the works council, have carried out a systematic campaign to split workers in terms of hours worked and remuneration. In addition to temporary contract workers, VW employs agency workers and various other types of contract workers—often doing similar or the same work as full-time workers but for very different wages.

IG Metall has reacted with phony howls of disapproval and has announced a “wave of warning strikes” by VW, Porsche and other workers as the countdown to the January 31 wage contract expiration nears. This is, however, part of a well-established pattern. Any protests will be minor and ineffectual, while being limited to a select group of workers to prevent a broader mobilization of the working class.

It is clear the attack on temporary workers is the prelude to massive job cuts and attacks on other social gains of the working class. Rank-and-file workers must oppose the conspiracy of the auto companies, IGM, the works council and the SPD and build factory committees to unite full-time, part-time and temporary workers in a common fight against layoffs and the rollback of their conditions. The wildcat strike by Ford Romania workers and last year’s strikes by VW workers in Slovakia and Fiat workers in Serbia show the growing international opposition of workers to poverty wage wages and the possibility to unite the autoworkers across borders to fight the global automakers.



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