

Automaker Audi slashes 9,500 jobs in Germany

Dietmar Gaisenkersting
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Audi, a subsidiary of German automaker Volkswagen, will cut 9,500 jobs in Germany over the coming five years. This will leave just over 50,000 jobs at the company's operations, down from the current level of 61,000.

The job cuts are part of a global offensive against autoworkers, which experts expect to cost the jobs of at least 15 percent of the 820,000 workers in the auto and parts industries in Germany alone. Over the last year, BMW, GM, Ford, VW, Nissan and other global automakers have carried out mass layoffs of production and white-collar workers in North America and Europe, while hundreds of thousands of workers have lost their jobs in India and China.

Worldwide car sales fell in 2018 from 81.8 million to 80.6 million and are anticipated to decline by another three million this year, the largest drop since the Great Recession. The global economic decline has intensified a brutal competition between the transnational auto giants for profits and to corner the emerging market for electric and self-driving vehicles. The restructuring of the global auto industry is leading to a wave of planned mergers, consolidations and a brutal campaign of job- and cost-cutting.

The Audi jobs massacre has the full backing of the IG Metall trade union and works council, which spent the past several months working out the details of the layoffs with management behind the backs of the workers.

Central works council chairman Peter Mosch had the temerity to suggest that the elimination of virtually one in every six jobs was a successful outcome. "After months of talks, we were able to avert the original cuts demanded by the company in most areas," he asserted. Mosch also presented the avoidance of "compulsory redundancies" and a pledge to hire 2,000 "specialists"

for electric vehicles as victories.

The remaining workers will face wage cuts. According to the agreement, the profit-sharing payout, which currently stands at €3,600 (US \$3,996) for production workers, will be frozen or cut if the operating profit falls or remains the same. If profits rise significantly, however, the payouts will not automatically increase.

Central works council chairman Mosch belongs to a layer of trade union bureaucrats who have made lucrative careers within Germany's corporatist system of labor-management "codetermination." Along with the Audi central works council, which he has headed since 2006, Mosch also serves as deputy chair of Volkswagen's works council and is a presidium member of VW's global works council. He is also deputy chair of Audi's supervisory board, a member of the VW supervisory board presidium, and a member of the permanent committee to Porsche's supervisory board.

According to Volkswagen AG's business report, Mosch's activities on VW's supervisory board alone netted him €300,000 (US \$330,000) per year in 2016 and 2017.

Audi is aiming to save €6 billion with the job cuts. This will be used to push up its dividend payouts from 9 percent to 11 percent, a phenomenal result for investors, given the low interest rates. Audi is also seeking to catch up with its two main competitors, the high-end manufacturers Mercedes and BMW, which both recently unveiled major job cuts and cost-cutting programmes. Part of the money saved by Audi will be invested in electric vehicles and other new technologies.

In addition to mounting competition on global auto markets and technological changes, Audi confronts

further crises. The diesel scam is costing Audi billions, since the VW premium brand served as a development center for Volkswagen and was thus deeply implicated in the development of engines and the specific emissions control software that switched off when the vehicle was not in a test setting.

Over the past seven years, Audi has gone through seven heads of development. Bram Schot, who took over from former chief executive Rupert Stadler following the latter's imprisonment due to his role in the emissions scandal, will be replaced in April next year by BMW executive Markus Duismann. Schot has not moved on yet because BMW has refused to let Duismann leave sooner.

The transition to electric vehicles, which Audi and the rest of Germany's automakers long ignored, requires billions of euros in development costs. Audi intends to bring 30 electric vehicle models onto the market by 2025. At the same time, electric-powered vehicles require far fewer parts than internal combustion engine-driven cars, leading to predictions of even deeper job cuts.

At the end of October, Audi was forced to cut its sales forecast for the current year. In Audi's two main plants in the cities of Ingolstadt and Neckarsulm, production output will be reduced under the agreement now concluded with IG Metall. In Neckarsulm, which has an annual capacity of 300,000 vehicles and focuses mainly on producing the Audi A4 to A8 and R8 models, fewer than 200,000 vehicles will roll off the assembly lines this year for the third time in a row. Going forward, annual production will be 225,000 cars.

In Ingolstadt, which has capacity to build well over half a million cars, just 491,000 vehicles were produced last year. In the future, the plant will produce 450,000 cars.

Audi's parent company VW, the world's second largest automaker, is also engaged in a major job-cutting programme, also with the collusion of IG Metall. Three years ago, VW central works council chair Berndt Osterloh signed the notorious "future pact" with VW brand chief Herbert Diess, who now heads the Volkswagen corporation. That agreement cost 30,000 jobs around the world, including 23,000 in Germany. The works council and management at the VW brand are in the process of preparing a new edition of their pact.

Over the last two years, there have been increasing struggles by autoworkers, including in Romania, Hungary, the Czech Republic and other Eastern European countries, China, India and Mexico, along with workers in Germany, France and Great Britain. Earlier this autumn, 48,000 GM workers in the US waged the longest national auto strike in nearly half a century.

Workers are increasingly coming into a direct conflict with the pro-capitalist and nationalist trade unions, including the United Auto Workers in the United States, which is engulfed in a corruption scandal that has revealed the fact that the UAW is a bribed tool of management.

The giant corporations and the powerful financial interests behind them have an international strategy to attack workers. Autoworkers need a global strategy to respond. This requires the building of new organizations of struggle, rank-and-file action committees, which reject the nationalist poison promoted by IG Metall and other unions and fight to coordinate the struggles of autoworkers across all borders.

While modern technology presents unprecedented opportunities to raise the living standards and cultural level of all of humanity, the exact opposite is taking place under capitalism. The riches of society end up in the pockets of a tiny minority, while rotting capitalism produces mass poverty, fascism and war. That is why the emerging mass struggles by autoworkers and every section of the working class must be fused with an international socialist programme, including the transformation of the global auto industry into a public enterprise, collectively owned and democratically controlled by the working class.

The *World Socialist Web Site* and Sozialistische Gleichheitspartei (SGP) will do everything to assist autoworkers in building rank-and-file action committees to fight the mass layoffs at Audi and other global automakers. We encourage workers who agree with this perspective to contact the SGP today.



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