

# New study expects at least 215,000 jobs to be wiped out in the German auto industry by 2030

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24 May 2021

A recent study by the ifo Institute (Leibniz Institute for Economic Research at the University of Munich e.V.) commissioned by the German Association of the Automotive Industry (VDA) envisages the loss of 215,000 jobs in the German auto industry by 2030. The study titled “Effects of the increased production of electric powered autos on employment in Germany” was published at the beginning of May.

According to the study, the transformation to electric motors will cost at least 178,000 jobs in the production sectors directly or indirectly dependent on the internal combustion engine during the next four years. Of this total 137,000 are workers directly involved in the auto industry. If the jobs of the 75,000 workers estimated by the ifo study due for retirement in this period are not replaced, that will still leave 100,000 jobs to be cut by 2025.

Taking into account 147,000 jobs expected to be lost through retirement by 2030, this still leaves the number of redundant jobs at around 70,000 out of the 215,000 expected job cuts in that time frame.

The newspaper *Die Welt* commented: “However, this gap (i.e., number of jobs lost) could be significantly larger if the development towards electro-mobility accelerates. ... This could happen above all if the climate targets currently planned at European level, are tightened up once again.”

The purpose of the study is to provide reliable figures for Germany’s major auto companies, first and foremost VW, Daimler and BMW, but also suppliers such as Bosch, Schaeffler and ZF, and provide in turn the basis for massive job cuts.

“In this study we analyse how production value, gross value and employment in German industry are linked to combustion technology and are therefore affected by the transition from combustion engines to electric motors,” the authors state in the explanatory note to the study. “A key question is whether age-related employment turnover will be able to absorb the foreseeable changes.”

The workers affected and their livelihoods appear in the report as anonymous and superfluous “numbers.” At stake are the many tens of thousands of previously secure and well-paid

jobs which will be destroyed, taking into account “age-related employment turnover,” in order to ensure optimal profits in the transition from combustion to electric motors.

The study also emphasizes the economic importance of the German auto industry, which is still heavily dependent on the internal combustion engine. In total, around 613,000 persons were employed making manufactured products linked to internal combustion engines in 2019, the introduction states. They manufactured products worth more than 149 billion euros. In contrast, the value of vehicles with purely electric motors was around 3.1 billion euros, and plug-in hybrid vehicles 4.3 billion euros in 2019.

The study also shows, however, that the switch to electric mobility is not the only reason for the assault on jobs and working conditions. Auto companies have long been looking for a way to further increase rates of profit at the expense of workers.

The study found that the auto industry performed much worse between 2015 and 2019 than manufacturing as a whole. Particularly from 2016 onwards, value added in the automotive sector fell considerably. The report states, “The difference in development compared to the manufacturing sector in 2019 amounts to 10.7 percentage points. Responsible for this decline in the years 2016 to 2019 are the category of products directly dependent on the combustion engine.”

Already in this period, a clear development “away from the combustion engine” could be observed—an “indication of the pressure to innovate in the auto industry.” At the same time, there is a massive need to catch up in the area of information and communication technology (ICT). This is “related to the fact that, in addition to the electrification of motors, the digitalisation and networking of passenger cars also represent major challenges for the industry.”

The study concludes that the “transformation process in the German auto industry has already gained momentum ... especially with regard to product range.” Employment in the affected product groups, on the other hand, is reacting much more slowly, and productivity in vehicle manufacturing has fallen.

The authors attribute this to the fact “that parallel (and thus less efficient) structures had to be established during this period to meet current demand.” At the same time, “capacities for alternative motors were created, which are of fundamental importance for the future market.”

These duplicate structures must now be dismantled as quickly as possible. If one compares “the jobs affected at respective times with the share of newly registered electric vehicles,” then “between 29 and 36 percent of jobs would be surplus by 2025.”

The coronavirus pandemic years 2020 and 2021 have vividly shown the ruthlessness with which auto companies are carrying out the so-called transformation process at the expense of their workforces. Daimler and VW, Continental, ZF and Bosch have already cut thousands of jobs and announced the elimination of tens of thousands more jobs.

At the same time, production in car plants was quickly restarted after a brief pause in the spring of 2020, despite the fact that the coronavirus was spreading through factories and schools, causing tens of thousands of deaths.

Germany’s biggest trade union, IG Metall, and its affiliated works councils have explicitly supported the companies, agreeing to forfeit any wage increases and suppressing all opposition in the factories. As a result profits have soared, and shareholders have been able to celebrate.

The Daimler group alone made a profit of 6.6 billion euros in 2020. Its management promptly decided to top up shareholder dividend from 90 cents to 1.35 euros, forcing even the right-wing conservative paper *F.A.Z.* to express its astonishment. “That is—according to longstanding practice—a 40 percent profit, for every share priced at 3.39 euros. ... As a result, taxpayers’ money, which should secure employment and prevent bankruptcies, is being passed onto shareholders in the form of profit,” according to Lena Kampen of the citizens movement Finanzwende in the *F.A.Z.*

IG Metall is playing a central role in this frontal attack on the workforce. It makes its apparatus of thousands of well-paid functionaries and works councillors available as partners, advisors and ultimate enforcers of corporate interests. In recent months and years, tens of thousands of workers have fallen victim to austerity measures that IG Metall helped to devise. With the active assistance of the union’s works councils, workers have been stripped of their jobs as quietly as possible through severance agreements, partial retirements and redundancy payments.

It therefore comes as no surprise that IG Metall expressly supports the latest study by the employers association. On the webpage “Schaeffler - IG Metall reports,” the union points out it commissioned similar studies long ago and came to the same conclusions.

“From IG Metall’s point of view, the concerns raised by the German Association of the Automotive Industry (VDA) are justified,” the union declares on its website. Already in 2012 and 2018, the studies “ELAB” and “ELAB 2.0” on the effects

of electro-mobility on employment in Germany had been prepared on the initiative of the union.

The second study was drawn up by “the auto industry and major auto suppliers together with representatives of both employer and employees, including representation from Schaeffler’s joint and group works council.” The result was similar to the current study by the VDA and the ifo Institute: “Without support from industrial policy, 75,000 jobs in the German auto and auto supplier industry could disappear by 2030 in the event of the full electrification of motors.”

IG Metall has been intimately involved in this restructuring process since 2010. It is a member of the National Platform for Electro-mobility (NPE), which was founded by the German government to bring together representatives from politics, business and the trade unions.

The union’s website reads: “Since the founding of the NPE—in early 2010—IG Metall has been involved in electro-mobility because it is clear that the transition from the combustion engine to electro-mobility will also have an impact on employment.”

It advocates a strictly nationalistic economic course. It calls for “all stages of production to be brought to Germany—including cell production, which has so far taken place in Asia,” according to a report on an NPE conference in June 2015 on the union’s website.

Another section is titled “Regain technology leadership.” It says: “In order for Germany to advance in electro-mobility and for employees to participate, the entire value chain, from the production of batteries to the electric motor, must be located in this country. This is what IG Metall demands.”

This nationalist policy, guided solely by the profit interests of the German auto companies, could have stemmed from the program of the far-right Alternative for Germany (AfD). It aims at dividing workers in Germany from fellow workers in Asia, America and Europe to prevent a joint international struggle.

A successful struggle against the decimation of jobs and conditions in the auto industry means breaking decisively with the nationalist policy of IG Metall. The defence of all threatened jobs can only succeed if autoworkers unite independently of the union and their works councils as members of the International Workers Alliance of Rank-and-File Committees (IWA-RFC).



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