

Volkswagen to cut around 900 temporary jobs in Germany

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16 December 2021

Volkswagen is cutting the positions of around 900 temporary workers in Germany in the midst of the current coronavirus wave. VW General Works Council Chairwoman Daniela Cavallo and VW brand board member Ralf Brandstätter announced the cuts just four weeks before Christmas in an online workforce meeting. Just over a week ago, around 150 temporary workers protested the move outside the main plant in Wolfsburg, Germany.

According to information from those close to the works council, around 500 workers are to lose their jobs in Wolfsburg, 395 in Braunschweig and 29 in Salzgitter. Contracts expiring at the end of the year will not be extended.

Works council head Cavallo and brand boss Brandstätter blame the global semiconductor shortage. Brandstätter said, “Semiconductor shortages mean we can't produce in high volumes, and the outlook also remains volatile.” He added that this means expiring temporary contracts cannot be renewed. The man making millions asked those “colleagues affected to understand that the current situation does not permit any other decision.”

Cavallo seconded, “We find this very regrettable, and we would like there to be a better perspective for temporary workers.” To her “great regret,” the current semiconductor crisis and low production figures did not permit for the temporary workers to be taken on full time, “so we have to accept the decision.”

Cavallo could spare us her hypocrisy. It is not the chip shortage that is “to blame” for the job cuts. The blame lies with a works council, union and management that subordinate the jobs, health and lives of employees to profit. This has been clear since the emergence of the coronavirus. Health and safety concerns have never stopped production with the IG Metall union and the works council campaigning vehemently to keep it going.

Profits being the measure of all things, everything is subordinate to them. On the one hand, VW and other car companies have countered the shortage of electronic chips by favouring the production of premium models because these generates greater returns. On the other hand, VW received billions in government subsidies for reductions in workers' hours.

Thus, the VW group was able to generate around €10 billion in earnings before interest and taxes in 2020 despite reduced production. In October 2021, VW reported, “Operating profit before special items through September remains solid at 14.2 billion euro due to a strong first half with a return of 7.6 percent.”

Despite this, Volkswagen has threatened to withhold reduced hours compensation for employees producing the more economic Golf model for three months starting January 1, 2022. The company is said to have threatened to do the same to employees in Tiguan production. The new government coalition of Social Democrats (SPD), Greens and Liberals (FDP) subsequently announced that it would extend the maximum period for which government-subsidized reduced hours compensation could be paid.

So, when VW and the works council claim that the layoff of temporary workers is unavoidable, it is not because of the semiconductor shortage and reduced hours work compensation. The company is using the coronavirus crisis to push through long planned attacks against workers.

VW Group CEO Herbert Diess demanded a year ago that the upcoming showcase electric car should be produced within 10 hours, instead of 15 to 20 hours, as is usual in the industry. This means a brutal increase in work speed and the elimination of tens of thousands of jobs. Diess himself has quoted the figure of 30,000 job cuts. The temporary workers are just the first to fall victim to these attacks.

Cavallo and the entire works council support this. They

already agreed to 30,000 job cuts in the “Pact for the Future” that they negotiated with the Board of Management in 2016. To date this pact has not been fully implemented but now further attacks are being added. This is why the reduction of temporary jobs suits the works council—technically, these are not layoffs that require its approval.

Cavallo was so brazen as to use this argument in the November workforce meeting. She said that sloughing off temporary workers did not require approval from the works council. “We always fight for each and every employee and were able to help take on many employees in the past.” That would not be possible this time, she said.

The truth is that it would indeed be possible if the workers organised independently of the union and works council. To prevent that from happening, VW workers are being played off against each other. This has been part of the standard repertoire of IG Metall and its works council for many a year.

At VW, there are now four classes of workers. Workers in company pay scale 1 have a 30-hour week, in company pay scale 2 a 35-hour week with the same pay. This is the so-called core workforce.

Volkswagen Group Services GmbH, a wholly owned subsidiary of the VW Group, employs about 9,000 people at VW plants on its own pay scale, which is lower than the two in-house pay scales. They work in a wide range of areas, from engineering services to manufacturing and logistics, to sales, catering, health and commercial services.

At the bottom of the pay scale are the temporary workers of AutoVision GmbH, a joint company of the VW Group and the city of Wolfsburg. For about 20 years, VW has used temporary workers to drive down labour costs. Temporary workers usually receive two-year contracts for their assignment in VW plants.

During these two years, they give their all in the hope to be taken on by VW afterwards. Comments in the *Wolfsburger Nachrichten* reflect their disappointment.

A VW temporary worker writes that it is sad “that a company that makes billions in profits during the pandemic does not extend people’s contracts.” Temps had “worked their asses off for more than two years.” If they were informed on a Friday that they were needed at the VW plant in Zwickau on Monday, they were prepared make the drive to the plant, over 300 kilometres away. “Taking on the people from Wolfsburg, who have been there since October 2019, wouldn’t have broken a bone in

anyone’s body. But that’s the way it is.”

The works councils themselves sabotage solidarity among the temporary workers. They refuse to even answer inquiries and demands from workers and their shop stewards. They spread rumours about the number that can expect to be kept on, but do not name any concrete facts, because supposedly nothing yet has been determined “in black and white.”

In Wolfsburg, for example, 150 temporary employment contracts are supposedly to be extended, and in Braunschweig 65 out of 460. All temporary workers have so-called appraisal interviews with the foremen, in which they are given a grade from 1 (very good) to 5 (poor). Anyone can imagine that this makes for the worst possible working atmosphere when only one in 10 colleagues is taken on in a department or line. Who will it be? Do I still have a chance? What do I have to do for it? These incentives for bashing and back-stabbing serve solely to prevent common resistance.

Meanwhile, the works councils remain silent and wait it out. The chairman of Autovision’s works council for the plants in Braunschweig and Salzgitter, Dirk Oppermann, has gone off for vacation. In his view, next month is a fait accompli: the AutoVision colleagues are goners.

The division of workers by country, plant and employee grouping can only be overcome if the interests of the employees are placed above those of the shareholders. The shareholders assert their interests with the help of the unions and their works councils. Their leaders are paid handsomely for this, not infrequently with managerial posts worth millions, like Cavallo’s predecessor Bernd Osterloh.

Autoworkers can only defend and assert their interests if they organise themselves independently of the union and its works councils. We call on all autoworkers to join together in rank-and-file committees that are independent of the unions. Contact us today. The WSWS will provide full assistance to all workers who are determined to take this step in their plants.



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