

# Volkswagen workers kept in the dark following new union-management consultations on restructuring

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2022 will be a decisive year for all those employed by Volkswagen. In addition to the consequences of the German government's murderous COVID-19 policy which threatens their health and lives, workers at Germany's largest auto company must brace themselves for attacks on their jobs and working conditions the likes of which have not been seen in decades.

Referring to VW's headquarters and its biggest plant in Germany, VW CEO Herbert Diess told a press conference on December 9 that the executive, works council and shareholders had agreed to plans for a comprehensive restructuring of the company by 2026. "We will not recognise Wolfsburg in 10 years." His words must be understood as a threat.

The conclusion of the restructuring talks was preceded by a public dispute between Diess and the company's joint works council led by its new chair Daniela Cavallo (IG Metall). There was speculation that Diess would have to vacate his post. The works council was particularly annoyed by the fact that the scenarios commissioned by Diess, envisaging the loss of 30,000 jobs, had been made public and alarmed the workforce.

Once again the works council and the executive closed ranks. Diess is being allowed to stay, albeit with slightly reduced powers. The plans for mass redundancy remain on the table but are now to be given a "positive" spin. Instead of job cuts, wage reductions and worsening working conditions, the talk now is of investment, transformation and competitiveness. What this means for workers has not been spelled out.

"I am now much more confident that we will manage the transformation and remain competitive," Diess explained. "And we will see a new competitiveness, we have made sure of that." He has been stressing for some months that its rival Tesla takes just 10 hours to produce a car, as opposed to around 30 hours at VW.

Everyone can work out what this means for VW. The 89 billion euros the company plans to invest in electro-mobility and digitalisation by 2026 will make tens of thousands of jobs redundant. Fewer workers and lower personnel costs means higher profits, dividends and share prices. This is what Diess, IG Metall and the works council mean by "competitiveness."

The attacks on workers will begin immediately in the new year as the company responds to the worldwide chip shortage. Like all auto makers, the VW Group is rationing out the scarce supply of semiconductors to those brands that promise the highest profits. In the case of VW these are mainly its premium brands, Porsche and Audi. Those employed in making more popular, mass brands such as VW, Skoda and Seat are at a distinct disadvantage. The latter three brands made losses from July to September, although the company is making profits, based mainly on the profitability of Porsche and Audi.

Responding to the effects of the chip shortage, the chairwoman of the joint works council, Cavallo, declared "the worst is yet to come." Production in Wolfsburg, she said, was at its lowest level since the late 1950s, with less than 400,000 cars made, half as many as planned. A special edition of the works council newspaper *Mitbestimmen!* has already prepared workers for possible cuts, noting: "The coming months will be tough."

The workforce should not bear the burden of the semiconductor shortage "unilaterally," Cavallo writes, i.e., workers must share the burden! On the details she is non-committal. In the meantime, workers are worried because they know that management and the works council are discussing whether the current system of paying 100 percent for short-time working will be continued or whether there will be wage cuts.

In the near future the effects of the switch to electric mobility will have much more significant consequences than the chip shortage. The special edition of the works council newspaper focuses on investments due to run to 2026 agreed to by the supervisory board on December 9. The individual factory works councils describe in detail how many millions and billions of euros will be invested in individual plants. In total, 159 billion euros is to be set aside for investment, more than half of which will go towards electro-mobility and digitalisation.

While the works council and the company's board of directors rave about investments that are supposed to secure competitiveness, they say absolutely nothing about the effects on jobs. The works council shares the same outlook as VW

management: Profits come first!

Cavallo, who announced the new plans together with Diess after their joint talks, did not say what impact the reduction of production times per auto by two-thirds would have on the number of employees. Instead, workers at the company's various plants are, as always, being played off against each other.

In 2023 the workforce of the Wolfsburg plant is due to take over production of the e-model ID.3 from the VW factory in Zwickau, with full production planned for 2024. The works council and the company are currently devising a "location package" whereby the plant—or more precisely, the workforce—must prove that production of the ID.3 in Wolfsburg is economically viable. In 2026, the new e-model of the Trinity Project should then roll off the production line.

There are also plans to intensify production schedules. "The previous procedure is unviable, and shift models should also be reorganised for the core workforce," Cavallo said, adding that the works council was involved in talks about such plans.

Particularly in Wolfsburg, the envisaged electric models, which require less intensive production methods and are produced with state-of-the-art robots, are likely to make jobs dispensable in the eyes of the executive and works council.

Global car companies, whose numbers are constantly decreasing thanks to numerous mergers, are conducting merciless cut-throat competition, all on the backs of autoworkers. VW, like all other manufacturers, is sticking to its profit targets despite falling sales and has even increased its targets for the coming years with a corresponding increase in share prices and dividends.

More than 1,000 temporary workers have already had to quit and are the first to lose their jobs. More than 900 workers from Wolfsburg, Braunschweig and Salzgitter have been joined by almost 150 from Emden.

Global competition has assumed brutal forms. In the important US market, Tesla has a market share of almost 70 percent for electric autos, while in China, VW competes not only against Tesla models but also with those produced by its Asian and Chinese rivals.

China is the most important market for VW, where it sells more than 40 percent of all its autos. Up until now, Chinese VW joint ventures have transferred 3 billion euros profit annually, but sales figures are currently collapsing, down by 8 percent so far this year. In November, deliveries in China slumped by 38 percent.

The working conditions at Tesla and the Chinese manufacturers are the benchmark for VW and the other auto producers. This relentless competition will have repercussions that will extend far beyond the loss of the 30,000 jobs Diess projected in September.

On December 9, the supervisory board not only decided on future investments but also relieved Diess of his responsibility for China. The current head of VW's main brands, Ralf

Brandstätter, is to move to Beijing in mid-2022 and at the same time join the company's executive. Diess is to concentrate on the transition to electro-mobility together with the works council.

The works council, IG Metall, the executive board and shareholders—which includes the state of Lower Saxony (represented by state premier Stefan Weill, SPD)—are all closely working together. The works council has achieved what it wanted, job cuts, wage reductions and worsened working conditions, all worked out and implemented jointly with the VW executive. All this is to be done, however, with as little fuss as possible. That was the only difference the union had with Diess.

Meanwhile, workers are kept in the dark regarding the deals agreed upon between the works council and VW management. Similar to the situation in the US, the trade unions and their workplace representatives no longer communicate any information about the agreements they make behind closed doors with company management. Only self-congratulatory press releases, or works council newspapers, are issued which amount to little more than company advertising. In the US unions refer to this as the "highlights" of contracts and agreements.

VW workers must demand that their works councils disclose all details of the latest round of planning as well as the job-cutting scenarios drawn up by Diess. What is in the small print? How many jobs will be "transformed," i.e., destroyed?

Workers, however, can only achieve these aims if they join together in action committees independent of the works council and the trade union. These committees must establish contact with workers throughout the company to other sections of workers in Germany and globally. We call on autoworkers from VW and all other manufacturers to contact the WSWS for assistance in building such action committees. Join our Facebook group, the Network of Action Committees for Safe Workplaces.



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**