

# Tesla's plant at Grünheide, Germany: After a two-week production halt, work set to continue at "hell's pace"

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It is less than four months since Tesla's new electric car factory was opened in Grünheide, in the federal state of Brandenburg, to general euphoria in the media and politics. Chancellor Olaf Scholz and Economics Minister Robert Habeck effusively celebrated Tesla founder Elon Musk for his "daring corporate culture."

On July 4, Tesla announced production would stop from July 11 for a fortnight. For the almost 5,000 auto workers, this means forced holidays and anxiety about what form production will take when it restarts. Tesla only said that such a calculated break was part of a "restructuring phase" to "optimise and readjust" processes.

In an interview at the end of May, Musk described the plants in Grünheide and Texas as "gigantic money-burning furnaces" that cost him billions. Output was far too low, costs too high and there were supply chain problems, he said. His concerns, he said, were to see the factories did not go out of business, and how to keep them running to pay the workers. With this clear threat to the workforce, the factories in Texas and Grünheide are currently being trimmed for maximum exploitation.

For the record: Musk, who by all appearances will soon be the world's first trillionaire, and has bid \$44 billion for Twitter, is now playing the poor man and complaining that his two new gigafactories are not turning a profit from day one.

The richest man in the world is only producing the outrageously expensive Tesla electric cars in the five gigafactories worldwide for one purpose: to maximise profits. And that can only be achieved through the maximum exploitation of the labour force. Musk also says this quite openly, describing the ramping up of production, as is currently happening in Grünheide, as "production hell."

According to Musk's plans, 500,000 Model Y cars should be produced annually in Grünheide. The current 1,000 cars per week are just one tenth of this plan. It also became known that many cars could not be delivered because of defects and had to be reworked at great expense.

Tesla is keeping quiet about how and what will be restructured in the two weeks of July. There are different reports about this, with talk that in the future, car bodies will only spend 30 seconds at each production station, where previously it was up to three minutes. This would correspond to a six-fold increase in the pace of work.

According to the company website "Teslamag," the pace of work per production step is to be accelerated from currently 90 seconds to 45 seconds. Even though the workforce would grow by a few thousand by the end of the year, the workload per worker will thus be increased enormously. Musk himself told shareholders in June that he expected it to take nine to 12 months to increase weekly production to 5,000 cars initially.

Meanwhile, Tesla is rigorously continuing its reckless and environmentally damaging plans. The company is currently in the process of building a second "gigapress" plant. According to *Tagesspiegel*, this will involve driving 1,300 concrete foundation piles into the Brandenburg sand, in the middle of a drinking water protection area, like the entire car factory and the battery factory also under construction.

Strausberg-Erkner (WSE), the regional water board, filed another lawsuit against this, but lost to Tesla at the administrative court in Frankfurt/Oder recently.

Like many other auto manufacturers, Tesla is dependent on raw materials and supplies from China and Russia. The coronavirus pandemic, the Ukraine war, the sanctions against Russia and the resulting energy crisis and rampant inflation are increasingly shaking the global economy.

For example, Tesla's largest car factory, located in Shanghai, has also had to close temporarily for longer than Musk expected due to the Chinese government's zero-COVID strategy. In Grünheide, the motors and battery packs being installed are supplied from Shanghai. According to media reports, Grünheide's supply is limited because Giga Shanghai itself needs many of the components.

Tesla produces most of its cars in China, which is also the company's most profitable market. According to the trade press, Tesla wants to double weekly production to more than 15,000 cars and build a second Gigafactory near Shanghai.

At the end of July, two-shift operations are also to be expanded to three shifts. Workers in Grünheide will then produce 24 hours a day, including Saturdays, with a 40-hour week and plenty of scheduled overtime. The motors and battery packs will soon be produced in Grünheide, with the necessary facilities and plants under construction.

The first reports of growing resentment over working conditions, low wages and unequal pay are already filtering out of the plant.

According to these, production workers are to receive about 20 percent less than is customary in the industry and are covered by a regional collective agreement. Some workers are also said to have returned to their old employers out of dissatisfaction.

Although the Employment Agency and the Job Centre operate a team with its own office in the Tesla personnel department to provide the factory with cheap labour, Tesla seems to have problems finding enough workers.

The head of the Employment Agency in Frankfurt/Oder, Jochem Freyer, proudly told the press the other day, “Thanks to the short coordination channels, we have already been able to place over 600 unemployed people at Tesla and, what I am particularly pleased about: over half of them were previously long-term unemployed.” It was not disclosed on what terms they were hired and how many subsidies Tesla received for taking them on.

Apparently, Tesla has had to offer newly employed workers higher wages than those who were hired earlier to find enough staff. For these reasons, the management probably felt compelled to raise wages for production workers by 6 percent from August.

### **The state government and IG Metall union**

The representatives of the Brandenburg state government, consisting of the Social Democratic Party (SPD) and the Greens, as well as the IG Metall trade union, continue to prostrate themselves at the feet of the Tesla corporation and offer it their services. While behind the scenes they approved and supported the Gigafactory, which violates environmental regulations and was built semi-illegally, they now also accept the conditions of Musk’s “production hell.”

Economics Minister Jörg Steinbach (SPD) succinctly announced last Tuesday that the ramp-up phase of the Gigafactory was a special time that required readjustments in places: “I assume, however, that Tesla will make the right decisions to set up the factory well.”

Heiner Klemp, Green Party spokesman for the economy, Europe and local affairs in his state parliamentary group, claimed Tesla had “pragmatic solutions” to secure the location.

The IG Metall also has no objection in principle to Musk’s brutal methods of exploitation. At the opening of the factory in March, Birgit Dietze, the IG Metall district leader for Berlin, Brandenburg and Saxony, sent Elon Musk a message of praise couched in purely nationalist or regionalist terms.

“In the future, anyone looking for the major automotive locations on a world map will come across the town of Grünheide in Brandenburg,” she wrote. “With the opening of the Tesla factory, eastern Germany is strengthening its international pioneering role in electromobility.” She did not say a word about Musk’s machinations or what will befall the thousands of newly hired workers at the new plant.

IG Metall and its officials, who have been desperately trying to gain a foothold in the factory for months, are only concerned with one thing: How can Elon Musk best be convinced that cooperation with IG Metall will only bring advantages?

Dietze had already offered the union’s services after the works council election in February, in which IG Metall came away empty handed. “Nevertheless, this first works council election at Tesla in Grünheide was a successful premiere,” it said. Now, “the first step

towards a culture of co-determination must be followed by others.” IG Metall had “every interest in seeing this plant flourish and enjoy lasting success.”

The initial resentment that arose among the workforce because of the unequal pay prompted IG Metall to become Tesla’s adviser and offer its tried and tested services in regulating workers’ grievances. Dietze explained, “In the long run, this will damage industrial peace. We have already received many complaints about it.”

IG Metall said it had analysed work contracts and job descriptions in cooperation with several employees from the Tesla plant. The result was clear, Dietze said. At almost 20 percent, the pay differences compared to other automotive companies in the region were “particularly large in the middle of the pay scale, i.e., among skilled workers.”

With the targeted wage increases that IG Metall wants to push through in the coming collective bargaining rounds for the metal and electrical industries (and which do not even compensate for inflation), these differences would be even greater. Tesla management will have to respond to this.

The union’s message to Tesla management is clear: Only if you conclude a collective agreement with IG Metall can we ensure order, and a calm and flourishing factory. To do this, you must let us into the factory and provide us with well-paid supervisory board and works council positions.

At the same time, IG Metall is trying to make Tesla workers believe that they can only achieve higher wages with the union and should therefore join it.

All experiences of the last decades and especially of the most recent years prove the opposite. IG Metall has agreed to reductions in real wages over the years, sacrificed existing social standards and helped to wind up countless jobs, including the closure of entire plants, such as at Opel in Bochum and most recently at Ford in Saarlouis.

The growing Tesla workforce should therefore be warned: They can only fight for all their concerns, from fair pay to tolerable working conditions, on their own initiative. They must build their own independent rank-and-file action committees at Tesla, democratically elected and controlled by the workers themselves. Such organisations are important to network with fellow Tesla workers in the US and worldwide and prepare a common struggle.



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