

Volkswagen plans massive cuts at its main German plant

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Autoworkers at Volkswagen Passenger Cars are heading into a fierce battle to counter the company's massive attack on jobs and working conditions, which is planned for the end of the summer holidays. VW management, in close cooperation with the works council, is preparing a major restructuring and wide-ranging cuts.

The company is under considerable pressure due to a sharp decline in electric vehicle sales in the wake of strong competition from Tesla and Chinese and other international car producers.

In addition, investors are demanding a tripling of returns from the current 3 to 9 percent with the shift to EVs, a goal that can only be achieved through a brutal increase in the exploitation of its workforce.

In recent weeks, one crisis meeting has followed the next. At a management information meeting (MMI)—a video conference attended by nearly all of the group's 2,200 managers—VW car boss Thomas Schäfer declared, “The future of the VW brand is at stake.” He warned that the company was threatened with “being burned to the ground” and that this was “a final wake-up call.”

To make the core VW brand profitable, a complete restructuring of production processes was required, Schäfer said. Existing operations were “too complicated, too slow, too inflexible.” In addition, the costs in many spheres, i.e., labor costs, were far too high.

In May, Schäfer unveiled VW's “performance programme,” which aims to double the return on sales and generate “more profits” through “greater efficiency” and “lower costs.” Then, on June 13, the VW supervisory board met and decided on a restructuring and savings programme that had been prepared by its Economic Committee, described by the media as “the biggest restructuring in decades.” Management, works council and the IG Metall union worked closely to shape the plan in a veritable conspiracy against the company's workers.

Shortly afterwards, on June 21, VW held a “Capital Markets Day,” a luxurious event for investors at the motor racing venue in Hockenheimring. The event was a “prelude to a more intensive dialogue with capital markets” where VW Group CEO Oliver Bloom and CFO Arno Antlitz promised fantastic returns of up to 11 percent to the 200 invited investors.

The press release emphasised that the focus of a “10-point strategy” was on capital markets. In the future, individual brands would have to take responsibility for their own target of returns. In other words, the weaknesses of the core brand VW will not be compensated by the high profits made by the subsidiary brands Porsche and Audi. To increase returns, each brand will have to develop its own program to maximise profits.

The five-page press release praises the “principles of profitability, lower fixed costs and disciplined investment” without a word about what this will mean for the workforce and every individual job.

At the VW brand alone, 10 billion euros are to be saved over the next three years in order to double the return on investment to 6.5 percent by 2026.

This will require the same measures being implemented throughout the global auto industry: the reduction of labor costs, cuts to the core workforce, production speed-up, the rationalisation of production processes and platforms and/or the closure of entire departments and plants. The number of jobs targeted for elimination is being kept secret by management, the works council and the IG Metall bureaucracy, but two years ago Herbert Diess, then head of the entire VW Group, spoke of 30,000 job cuts.

Wages and achievements won over decades are also being targeted for attack. While the core workforce is being shrunk, the use of temporary, low-paid workers is increasing.

This is aimed at transforming the car giant into a new profit machine under conditions that have changed dramatically across the world. Bloom never misses an opportunity to assure the company's main owners and investors, above all, the billionaire Porsche and Piëch family clans, that “there is huge potential to increase the value of the company.”

To realise its plans, the company is relying entirely on the assistance of its very well-paid IG Metall works councils. At the company's main Wolfsburg plant alone, there are 75 works councils financed by the company, 66 of which are run by IG Metall. They are backed up by 2,500 shop stewards. In addition, the Wolfsburg works council has its own 70-strong administrative apparatus.

In no other German company does the collusion between

management and trade union bureaucracy—presented as “co-determination”—take such a sophisticated and corporatist form. An army of full-time functionaries at IG Metall and the works council ensure that the group’s decisions are implemented smoothly with minimal resistance. The chair of the VW general works council, Daniela Cavallo, and her team were intimately involved in drawing up the restructuring plans from the start. They have supported the plan unconditionally and voted for it on the company’s supervisory board. As is so often the case, the works council took on the responsibility of deceiving the workforce and keeping workers in the dark about the consequences of the plan.

As early as May, the entire union apparatus of works councillors, shop stewards, youth representatives and other IG Metall bureaucrats were prepped to combat the inevitable resistance from rank-and-file workers. On 8 May, 1,500 IG Metall shop stewards took part in a conference held under the motto, “Collective bargaining policy and co-determination—a decisive pillar for successful transformation and job security.” The union’s role at VW and other German car companies is notorious and its officials are widely despised.

On 14 June, the works council in Wolfsburg held a meeting, which was carefully rehearsed with corporate management. Daniela Cavallo played the role of an unsuspecting official, who “demanded” to know what the executive board was planning.

She called out hypocritically, “The board is required to transparently inform staff about the planned measures for more efficiency in the brand. What are the next concrete steps? What does this mean for colleagues? And how can the workforce get involved? I expect this important explanatory work from the members of the board.”

VW boss Schäfer responded to the scripted question by touting his “Performance Programme” and demanding that every employee support it.

Finally, on June 23, a works council meeting was held in Wolfsburg, where 350 works council members from VW met for “networking.” The annual “summit meeting of co-determination” officially revolved around “future topics such as artificial intelligence in the work environment, networked mobility and new business models in the auto industry.” In reality, the meeting served as a platform for VW executives and other company representatives to present their agenda and intensify the collaboration between works councils and the board.

This was followed by a meeting of the VW World Works Council on July 3. IG Metall officials announced, “The top-level employee representatives from the entire Volkswagen Group gathered in Braunschweig for several days. The aim of the meeting of the European and World Group Works Council (E/WKBR) was a joint exchange on the perspectives and challenges in the international brands and companies.”

The report of the meeting notes that Cavallo (president of the

E/WKBR) and Dariusz Dabrowski (general secretary of the E/WKBR) worked hand in hand VW Human Resources Director Gunnar Kilian and Karsten Brack (Head of VW Human Resources International).

The fact that VW’s entire trade union bureaucracy is gathering so intensively in lock step with the board is a indication of the magnitude of the attacks that are coming. Management, IG Metall, the works council and the state government know they cannot cushion the assault—as they have done in the past—and fear massive resistance. That is why they are closing ranks and forming a common front.

The Volkswagen workforce faces enormous challenges. The defence of every job and factory in all countries is only possible by developing a struggle independently of the IG Metall bureaucracy and its works councils. This requires building independent action committees to organise resistance and establish contact with workers in other plants and countries.

The International Workers Alliance of Rank-and-File Committees (IWA-RFC) is building a worldwide network of worker-controlled action committees in all industries. These committees—at GM, Stellantis, Ford, UPS and elsewhere—are networking workers and allowing them to share information, prepare and coordinate a joint counter-offensive. We call on all workers to join the IWA-RFC and form an action committee at their workplace today.

The action committee will discuss how to overcome the dictatorship of the IG Metall apparatus and its works councils and how to conduct the struggle to defend all jobs and social standards. We will also report on the struggles and experiences of autoworkers in the US and other countries and develop international cooperation.

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