

# Stop the slash-and-burn at VW!

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The restructuring of Volkswagen, which the company's supervisory board decided on June 13, means such cutbacks at Germany's largest car company as have never been experienced before.

This is already clear from the title of the restructuring programme: "ACCELERATE FORWARD | Road to 6.5." The "6.5" refers to the return on sales that the core VW brand wants to achieve in three years. For every 100 euros of turnover, the aim is to achieve a profit of at least 6.5 euros, more than twice as much as now. The bottom line is that VW wants to earn ten billion more in 2026 than this year, as brand boss Thomas Schäfer announced at the works meeting in Wolfsburg in June.

According to Schäfer, this doubling of profits is to be achieved by the following means: "Streamlining and accelerating administrative processes, increasing efficiency in development and production, streamlining the model range and at the same time reducing equipment variants." Components are to be standardised by means of modular systems and the utilisation of the plants worldwide is to be optimised.

Anyone who can count to three knows that this means intensifying the levels of exploitation and a jobs massacre without equal—especially since the profit-increase programme coincides with the conversion to electric vehicles, which further reduces the production time per unit. But the workforce has not yet received any information about how many and which jobs are to fall victim to the cuts programme.

The board of directors, works council, IG Metall union and shareholders, including the Social Democratic Party-led state government, where VW is headquartered and which is a major shareholder, are in cahoots and act like an industrial mafia. They concocted and decided on the performance programme together. Now, as it says in the "VW newsroom," they are "defining concrete measures in consultation with the employee representatives by mid-September." In October 2023, the programme is then to "stand in all its details and measures and be transferred into an agreement with the employee side in the context of the planning round."

In other words, the conspiracy against the workforce continues. The executive board and the works council decide behind closed doors where cuts, reductions and dismissals will take place. In October, the workers will be presented with a fait accompli.

This must not be allowed to happen! Workers have the right to know what the future holds for them! Those responsible must be held accountable and all restructuring and downsizing plans must be disclosed.

## **Works council leader Cavallo lies**

Instead, for the last three months, VW workers have confronted the strictest secrecy, whitewash or empty promises. There is only one reason why the board and the works council feel compelled to maintain this underhanded silence: They know very well that the workforce would be up in arms if the exact extent of the cutbacks were known.

At the works meeting at VW's main plant in Wolfsburg, the chairwoman of the company's general works council, Daniela Cavallo, claimed: "We are agreed that we have to achieve the targeted savings without cutting back on pay scales or job security." This is a bold-faced lie—and Cavallo knows it.

IG Metall and its works council representatives are experts at cutting jobs and shutting down entire plants without a single "compulsory redundancy." Workers who leave for age or other reasons are not replaced, others are sent into early retirement or pressured until they leave voluntarily. In Bochum, both Opel plants, which once employed 20,000 workers, were shut down in this way.

VW brand manager Schäfer lied even more brazenly at the works meeting when he claimed—with Cavallo's apparent agreement—that the 6.5 percent return on investment meant VW would "secure employment, finance our future from our own resources and continue to invest in new vehicles, technologies, the modernisation of our plants and in the qualification of the workforce."

Schäfer seems to think that workers do not read newspapers and have not noticed how brazenly the shareholders and managers at VW are skimming off the top. They are playing Monopoly on the bones of the workforce.

Over the last ten years, Volkswagen has increased its

dividend (i.e., the portion of profit paid out to shareholders) by ten percent annually. This year analysts even expect a dividend increase of 14 percent.

In January this year, Volkswagen also paid out an additional special dividend of €19.06 per share—about three times as much as the usual annual dividend. It came from the IPO of Porsche AG, which brought Volkswagen more than €9 billion. The group passed half of this on directly to the shareholders. The Porsche-Piëch clan alone (estimated fortune €40 billion) collected €3 billion, which they used to secure a blocking minority of 25 percent in the highly profitable sports car manufacturer, which is aiming for a 20 percent return on sales.

It is no coincidence that when Oliver Blume became overall head of the Volkswagen Group, he also kept his previous job as head of Porsche, so that he now heads two companies listed on Germany's Dax stock market at the same time. Yet he serves only one master: the Porsche-Piëch clan, which also owns 32 percent of Volkswagen shares.

The works council representatives are not bothered by these corrupt conditions; they are part of them and are also rewarded handsomely for their dirty work. The works council expressed its "fullest support" for Oliver Blume when he was appointed VW boss. Blume, for his part, promised close cooperation "on the basis of trust and as equals." The works council could not show more clearly that it represents the interests of the corporation and its shareholders, and not those of the workforce whose jobs are threatened. It will do everything in its power to suppress any resistance to the threatened cutbacks.

The 670,000 employees of the VW group worldwide are being divided up by country, by group subsidiary (VW, Audi, Porsche, Skoda, Seat, etc.) and by location. In the various locations themselves, the division continues: into permanent employees and temporary workers. The temporary workers in Germany come almost exclusively from the VW-owned companies of the VW Service Group.

The works council representatives and IG Metall are present in all plants in Germany and are well networked among themselves. Without them, the planned attack on VW workers would not be feasible. This was true in the past, and it is true today.

Two years ago, when then-VW boss Herbert Diess openly stated that the planned restructuring would cost 30,000 jobs, they were horrified—not by the figure, which they had long known, but for fear that the workforce would raise a storm against it. But Diess' plans are not off the table, they are being systematically implemented with the support of the works council.

### **Build action committees and international cooperation**

In order to defend the jobs at VW, rank-and-file action

committees have to be built in which all VW workers who seriously want to fight can unite. These committees must be independent of the works council and IG Metall.

The threatened cutbacks at Volkswagen are part of an international attack on the working class. To finance the huge costs of war and trade war and to drive up share prices further, the owners of capital and governments everywhere are attacking workers' social gains and rights.

The car companies are using the shift to e-mobility to dramatically increase profits. Studies and strategy papers by the international car companies plan to cut up to 40 percent of jobs in the global auto industry. This jobs massacre will be used to drastically reduce wages and benefits. The struggle to defend jobs and wages must therefore be prepared and conducted as an international struggle from the outset.

VW workers are not alone. Action committees independent of the unions have already formed in several auto plants and joined together to form a network, the International Workers Alliance of Rank-and-File Committees (IWA-RFC), which coordinates the growing resistance worldwide.

The founding of an action committee at VW will make a decisive contribution to building an axis of resistance between Wolfsburg, Detroit and other motor cities and to making the struggle against the slash-and-burn at VW part of a systematic, international offensive in the auto and supplier industries.

To this end, action committees must be formed in every VW plant. As first concrete demands we propose:

- An end to negotiations behind closed doors. Disclosure of all plans of the "Performance Programme." The independent action committee to be formed will review them and take cross-site fighting measures.
- A fight against the division of the workforce by location, country, and car brand. The action committee must oppose the socially regressive logic of profit and place the needs and rights of the workers higher than the financial returns of the billionaire families and investors.

We call on all VW workers: Get in touch via Whatsapp message at +491633378340 or fill out the form.



To contact the WSWs and the  
Socialist Equality Party visit:

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