

VW in Germany cuts at least 2,200 jobs at its Zwickau plant and threatens other sites

Ludwig Weller
19 September 2023

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

At a factory meeting last week at the Zwickau plant in Germany, management of Volkswagen Saxony announced that 269 workers would immediately lose their temporary jobs. About 2,200 of the total 11,000 employees in Zwickau have fixed-term contracts. In view of the rapid decline in demand for VW's expensive electric cars, at least these 2,200 workers must expect that their contracts, which expire next year, will not be renewed in the coming weeks and months. It has not been announced whether more jobs are on the list to be cut.

Three years ago, the Zwickau plant was converted into Europe's first purely electric car factory. In addition to VW models ID.3, ID.4 and ID.5, the Audi Q4 e-tron and Q4 Sportback e-tron as well as the Cupra Born are produced there. At the time, VW, the state government and the IG Metall union claimed that secure jobs would be created and a prosperous future of climate-friendly mobility was on the horizon.

For weeks, the IG Metall works council representatives have been negotiating with VW managers behind closed doors about the extent to which shifts will be cut, and when and how many workers will see their jobs cut. The workforce and the workers concerned are to be presented with a fait accompli, so that it is too late for them to act against it.

Saxony's state Minister of Economic Affairs, Martin Dulig (Social Democrat, SPD), unintentionally admitted that the workforce was being deceived by politics and trade unions. "It is a serious situation," he said, adding he had been in contact with the works council and his Lower Saxon counterpart Olaf Lies (SPD) for several weeks.

These intrigues against the interests of the workforce must not be allowed to continue! Workers have the right to know what the future holds for them. All restructuring and downsizing plans must be disclosed immediately.

VW cites "the current market situation" as the reason for the cuts. High inflation and declining subsidies meant electric vehicle buyers were holding back. Since the state-funded subsidies have been sharply reduced, and in some cases completely abolished, new orders have been falling rapidly. Nearly 70 percent of newly registered electric cars were for commercial customers.

At the factory meeting in Zwickau, VW management sought to placate workers, claiming sales figures would rise again next year. Workers we spoke to do not share this optimism. Since even the

smallest VW electric model, the ID.3, costs a good €40,000, it is unaffordable for most buyers.

Under these conditions, to achieve the profit increases recently decided by VW would require a veritable massacre of jobs, wages and working conditions. There is no way this can be achieved by further state subsidies alone, which VW is demanding. Such measures are rather meant to keep the workforce quiet.

In reality, the VW group, just like the other car companies, is using the conversion from combustion to electric vehicles as a welcome opportunity to drastically reduce costs and cut tens of thousands of jobs.

VW wants to earn €10 billion more in 2026 than this year, as brand boss Thomas Schäfer announced at the factory meeting in Wolfsburg in June. The performance programme of VW and IG Metall envisages a doubling to tripling of the current returns.

The workforce has not yet received any information on how many and which jobs are to fall victim to the cuts programme. However, the events of the last weeks show where the journey at VW is going. Jobs are not only being cut in Zwickau and Dresden. Production of electric cars ID.4 and ID.7 has been shut down at the Emden plant as well. Three hundred of 1,500 temporary workers will no longer be employed from August, and short-time work has become the norm.

In a number of locations, VW has imposed short-time work or stopped production altogether because a supplier plant could no longer deliver due to the floods in Slovenia. There is a shortage of gear rims everywhere, which are urgently needed for the drive train in combustion engines.

VW workers from Zwickau, as well as from Emden, were sent to Slovenia for support, a VW worker told the WSWs. He was told by his colleagues that the Emden workers received €135 a day, the Zwickau colleagues only €35 a day. This is another way of maintaining the division of the workforces even at the smallest possible level.

Although neither the workers of the Slovenian Volkswagen plant nor the workforces of the VW plants concerned bear the slightest responsibility for the delivery bottlenecks, they are the ones who have to pay bitterly for it through wage cuts or loss of wages. And here, too, the VW works council representatives are completely on the side of the management. A VW spokeswoman succinctly stated: "Due to the volatile situation, the company decides on the further course of action together with the works council."

There is no plant that is not currently affected by changes. At

VW's Kassel plant in Baunatal, the assembly lines are partially shut down, affecting almost 3,500 workers. Shifts are also being cancelled in Osnabrück.

At VW's Autoeuropa plant in Portugal, a nine-week production freeze has been imposed since last week. As a result, 300 temporary workers and those on fixed-term contracts have already lost their jobs: 100 of them directly from the VW plant and 200 from other companies. Thousands of workers in supplier companies in the industrial area in Palmelavon are now dependent on welfare benefits because the VW group is not paying them any wage compensation.

At VW's main plant in Wolfsburg, where mainly Golf and Tiguan models are built, short-time work has been introduced until September 29. According to a VW spokesperson, all four assembly lines are affected. There are media reports suggesting that the Wolfsburg plant could even come to a complete standstill in October.

Last Wednesday, CEO Oliver Blume announced that the originally planned state-of-the-art dedicated factory for the Trinity series at the headquarters in Wolfsburg will not come about. The Trinity is to be built at VW's existing main plant in Wolfsburg, but not for several years.

Using existing capacity at the Wolfsburg plant, which is currently being converted to parallel e-car production, is therefore by no means certain. The question also arises whether priority is being given to Wolfsburg at the expense of the Zwickau plant. Remarkably, despite low capacity utilisation at the Zwickau e-car plant, production of the Audi Q4 e-tron is to be extended to the Brussels plant and the VW ID.3 to Wolfsburg.

The question arises whether there are plans to close the plants in Zwickau or in Emden. Why are the works councils and IG Metall silent? What do they know, or have they already decided?

The IG Metall is significantly involved in the development and implementation of the concrete plans for the cuts at VW. The most important representatives of the major shareholders sit "in the presidium of the supervisory board, where all fundamental decisions on corporate strategy as well as on the plants and models of Europe's largest car manufacturer are made," is how *Manager Magazin* describes this powerful body. The body includes the chairman of the supervisory board Hans Dieter Pötsch, the two heads of the family clans with major VW shareholdings, Dr. Hans Michel Piëch and Dr. Wolfgang Porsche, as well as Lower Saxony's Minister President Stephan Weil (SPD), since the state owns 20 percent of VW shares.

Four highly paid IG Metall bureaucrats also sit on this powerful presidium: IG Metall boss Jörg Hofmann; the chairwoman of the VW general and group works council, Daniela Cavallo; the chair of the general works council of AUDI, Peter Mosch; and Jens Rothe, who was chair of the works council of VW in Zwickau and the general works council in Saxony until February 2023—and is now head of human resources at VW in Dresden.

In the spring, when the Federal Court of Justice rejected the VW works council representatives' demands to receive salaries at the level of managers, the long-serving head of the works council moved directly to VW management without further ado. As head of human resources at the glass factory in Dresden, he was to

promote "the strategic reorientation of the site," according to a VW press release.

In no other German company is the collaboration between management and trade union as sophisticated as at Volkswagen. With an army of full-time functionaries, IG Metall and the works councils ensure that the group's decisions are implemented smoothly and that there is no resistance to them.

They are regularly "rewarded" for this. Bernd Osterloh, Cavallo's predecessor, received up to €750,000 a year in his best years as a works council member. As personnel director at the truck subsidiary Traton he is now enhancing his retirement pot as personnel director at the truck subsidiary Traton, thanks to an annual salary of €2 million.

This follows a definite method. Gunnar Kilian, ex-general secretary of the VW works council, is VW's current head of human resources, with an annual salary of €6.8 million in 2022. All his predecessors in this post were previously long-time SPD and IG Metall bureaucrats.

In order to defend jobs at VW, action committees must be set up, bringing together all VW workers who are serious about fighting. These committees must be independent of the works councils and IG Metall.

To finance the huge costs of war and trade war and further drive up share prices, the owners of capital and governments everywhere are attacking workers' social gains and rights.

VW workers are not alone in this. The threatened cutbacks at Volkswagen are part of an international attack on the working class. Currently 150,000 auto workers in the US are in contract disputes with Ford, GM and Stellantis. After decades of wage cuts and plant closures, 97 percent of the workforce voted for an all-out strike; however, the UAW (United Auto Workers) union is disregarding this vote and has only called out a few thousand workers on strike.

The formation of an action committee at VW will contribute decisively to building an axis of resistance between Wolfsburg, Detroit and other auto cities, and to making the struggle against the cuts at VW part of a systematic, international offensive in the car and supplier industry.



To contact the WSW and the
Socialist Equality Party visit:

wsws.org/contact