

Volkswagen: Management and works council agree on a billion-euro cuts programme

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Following months of secret talks, Volkswagen management and the works council agreed on December 19 on the concrete form of the drastic savings programme that the supervisory board had already decided upon on June 13—also with the support of the so-called “employee representatives”.

As early as next year, VW aims to save 4 billion euros on its core brand and as much as 10 billion euros by 2026. The return on sales is to increase from 3.4 to 6.5 percent as a result. The cost of this doubling of profits will be borne by the workforce.

Daniela Cavallo, chairwoman of the General Works Council, is continuing to hoodwink the workforce, claiming that most of the savings will now be achieved independently of personnel cuts. She deliberately did not give any figures on the jobs to be eliminated. The head of the VW core brand, Thomas Schäfer, also remained silent. Both claim that only financial targets are in question and that no plans for job cuts are involved. This is a lie.

Company management assumes that “a five-digit number of jobs,” i.e., at least 10,000, will be lost, as reported by the F.A.Z. newspaper. According to the agreement reached, costs in administration alone are to be reduced by 20 percent, which, according to the F.A.Z., means more than 4,000 jobs will be cut.

This job massacre is supposedly going to take place without “compulsory redundancies.” Cavallo claims that the agreed job security terms will remain in place until 2029, but this means merely that employees will be forced out of the company using other methods, e.g., partial retirement for those born from 1967 onwards, cancellation of agreements and unbearable work stress. In addition, the existing hiring freeze is being extended. The aim is to “maximise staff reductions in line with the demographic curve,” as the company puts it.

The reduction in staff goes hand in hand with a corresponding increase in work intensity. Here, too,

Cavallo is being deliberately deceptive. “We will continue to ensure that processes, structures and tasks actually improve and become faster,” she explained, “because work intensification must not result.”

But that is exactly what the job cuts will entail. A drastically reduced workforce will inevitably lead to the “compression of workloads,” resembling conditions at Tesla with a faster pace of work, fewer breaks, overtime and extra shifts when required.

This “compression of workloads” affects not only production and administration but also the process of development and suppliers. The works council and executive have agreed on specific savings targets.

Two hundred million euros are to be saved in the coming year alone through shorter production times, i.e., an increase in the pace of work. Savings of 320 million euros are planned in purchasing, which will further accelerate the wave of bankruptcies and redundancies in the supplier industry. Medium-sized companies with hundreds of employees are already filing for bankruptcy every week, while the big players—Bosch, ZF and Continental—are cutting thousands of jobs. The engineering and car workers trade union, IG Metall, is deliberately playing off its members in auto production against their colleagues employed at suppliers.

The optimisation of “after-sales business”—spare parts, repairs and other services—is also expected to bring savings of more than 250 million euros, which will lead to additional redundancies.

In particular, the work intensity in the product development departments will intensify. One billion euros is to be saved here by 2028 by reducing the development time for new models from 50 to 36 months. For developers, this means long, sleepless nights and overtime.

Wage levels, which were already reduced to below the inflation rate via several previous wage deals, will also

fall further in the coming years. It is not Tesla that will adapt to Volkswagen, but rather VW will adopt Elon Musk's methods of exploitation.

Of course, IG Metall and the works council know all this. That is why they are trying to play down the social impact of these cutbacks. The assertion that the massive job losses and other cuts are necessary and unavoidable is a lie. Only those who line up on the side of management and its profit targets, not the side of VW workers, would argue in this way.

IG Metall and its works councils are experts in fleecing the workforce in order to drive up corporate share prices and profits. A recent insider report by *Manager Magazin* on a VW supervisory board meeting gave an insight into how the billionaire capital owners impose their profit requirements with the help of their henchmen, falsely called "employee representatives," together with the social democratic (SPD)-Green state government of Lower Saxony.

Manager Magazin reports that at a meeting in mid-November, members of the supervisory board literally scolded VW boss Schäfer. "They didn't like what he presented to the company controllers on job cuts, investment cuts and other cost-cutting ideas. Too soft, not well-founded enough, is how insiders summarised the criticism."

Oliver Porsche, 62, and Günther Horvath, 71, in particular, as representatives of the major shareholder families Porsche and Piëch, repeatedly asked critical questions at the meeting and expressed their dissatisfaction. In the end, they humiliated Schäfer by demanding he revise his report and have it presented next time by a team from management consultant Roland Berger.

Not only management but also the works council bowed to pressure from the billionaire family clans whose fortunes go back to the crimes of the Nazis. What is now being presented is in line with their demands.

For years, VW has implemented one cost-cutting programme after another—all of them drawn up together with IG Metall and its works council and imposed on the workforce. It is time to draw the necessary conclusions. Jobs, wages and working conditions can only be defended independently of, and against the IG Metall bureaucracy.

To this end, action committees must be set up in which all VW workers who want to wage a serious fight join forces. 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. Big business and governments everywhere are attacking social gains and rights in order to finance the huge costs of militarism and trade war and drive up share prices.

Car companies are using the switch to e-mobility to drastically increase profits. Studies and strategy papers produced by international auto companies reveal they are planning to cut up to 40 percent of jobs in the global auto industry. This job massacre is to be used to drastically reduce wages and social benefits. The fight in defence of jobs and wages must therefore be prepared and waged as an international struggle from the outset.

VW workers are not alone. Rank-and-file action committees have already been formed in several car plants and have joined together to form a network, the International Workers Alliance of Rank-and-File Committees (IWA-RFC), which is coordinating growing resistance worldwide.

The establishment of an action committee at VW will mark a decisive contribution towards building an axis of resistance between Wolfsburg, Detroit and other car centres and make the struggle against cutbacks at VW part of a systematic, international offensive in the car and supplier industry.

To this end, action committees must be formed in every VW plant. To start, we propose:

- An end to all closed door negotiations. Disclosure of all plans for the "performance programme." The action committee will scrutinise them and take action across all sites.
- A fight against the division of the workforce according to workplaces, countries and car brands. The action committee must prioritise the needs and rights of employees over and above the profits of the billionaire owners and investors.

We call on all VW employees: Take part in the founding of the action committee. Get in touch via WhatsApp message at +491633378340 or fill out the form.



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