

Volkswagen ends job security guarantees

# Defend all jobs at VW! Build rank-and-file committees!

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The announcement by the VW Group that it is terminating the agreement on job security, cutting tens of thousands of jobs and closing entire plants and production sites in Germany is a declaration of war on all workers and marks the beginning of a new stage in the class struggle.

This has direct and far-reaching consequences for all VW employees and the working class as a whole. A struggle for power has begun. It is necessary for workers to respond with the same force and determination to the provocation of the capitalist owners and management.

All jobs at all locations must be defended in principle. No concessions must be made on wages, social benefits or other workers' rights. The socialist principle, according to which the rights of workers take precedence over the profit drive of the oligarchs and billionaires, must be the starting point of the resistance.

When VW chairman Oliver Blume and VW brand director Thomas Schafer declare that mass layoffs, wage cuts and social cuts are unavoidable to ensure shareholder profits, then this means that the capitalist profit system has reached the end of the line. Production for profit stands in irreconcilable contradiction to the vital needs of workers and their families.

To defend jobs, the control of the IG Metall union apparatus and their works council representatives must be broken and new fighting organisations built to marshal and coordinate the resistance: independent rank-and-file action committees.

We call on all VW employees: Participate in the founding of the VW action committee. Register via WhatsApp message at +491633378340 or fill out the form at the end of the article and come to the first online meeting of the action committee on Wednesday, September 18 at 7 p.m. Participation can be anonymous.

The head of the VW central works council, Daniela Cavallo, may protest as loudly as she likes, but the plant closures and compulsory redundancies have all been discussed with the works council, the IG Metall trade union and the Social Democratic Party-led government. These forces have a majority on the VW supervisory board and work closely with the major shareholders, the oligarch Porsche and Piech clans.

Within the framework of organised corruption called "co-determination" (supposedly, "workers representation"), the highly paid functionaries of the IG Metall and the works council have long been committed to increasing shareholders returns at the expense of the workforce. The 2023 "Performance Programme," which envisages savings of €10 billion by 2026, bears their signature. They will also implement the new cuts plans and sabotage any resistance to them. But now they can no longer claim that this will be done in a "socially acceptable" manner, excluding compulsory redundancies.

To defend jobs, workers must not allow themselves to be divided and must unite across company plants, corporations and countries. The

cutbacks at VW in Germany are part of a global offensive by the auto companies, who are fighting a bitter battle for market share and higher profits and are using the conversion to electric vehicles to lay off hundreds of thousands.

Ford is closing its plant in Saarlouis and is now attacking workers in Cologne and Valencia in Spain. At Stellantis, "hardly a stone is left unturned," as the *Frankfurter Allgemeine Zeitung* writes. Company boss Carlos Tavares, notorious as a "cost killer," is destroying thousands of jobs in the United States and Italy. The Opel plant in Eisenach is not being spared either, and only 8,300 of the 15,000 jobs that once existed at Opel's main plant in Russelsheim remain.

A real massacre is taking place in the supplier industry. ZF Friedrichshafen is cutting 14,000 jobs and Continental 7,000. Smaller companies with several hundred employees are closing almost daily. The software company SAP is also cutting 10,000 jobs, Thyssenkrupp is merging its steel division, the chemical company Bayer is cutting 5,000 jobs and BASF is closing two sites in Cologne and Frankfurt-Höchst.

But the unions are doing everything they can to isolate and suppress resistance. Even within each company, they prevent any solidarity actions and play workers from different locations off against each other, as in the infamous bidding war between the Ford plants in Saarlouis and Valencia.

The VW general works council is not lifting a finger to support their colleagues in Brussels, who are fighting against the closure of the Audi plant with the loss of 3,000 jobs. At the personnel service provider AutoVision, a joint venture between VW and the city of Wolfsburg that supplies VW with temporary workers, 1,500 of 3,600 jobs are at risk. Cariad, the group's software division with 6,000 jobs, may be on the verge of closure altogether.

## The end of the "social partnership"

For decades, the VW Group was considered the epitome of what was variously referred to as the "German co-determination model," "Deutschland Inc" or "co-management." In no other German company is the collaboration between owners, management and the trade unions as close and sophisticated as at Volkswagen.

The IG Metall and works council, with an army of full-time officials, ensure that the decisions of the management and the supervisory board are implemented smoothly.

The head of IG Metall traditionally serves as deputy chairman of the group's supervisory board, assisted by the works council, which, under the co-determination rules, appoints half of the supervisory board together

with IG Metall. The other half is divided between Porsche Holding, controlled by the Porsche and Piëch clans and which owns 53 percent of the ordinary shares, the Emirate of Qatar (17 percent) and the Social Democratic Party (SPD)-governed state of Lower Saxony (20 percent). The VW group is thus effectively ruled by a triumvirate of the union, the works council and the SPD.

When works council reps and IG Metall officials claim they were surprised and caught off guard by the board's plans, they are telling blatant lies. Former IG Metall leader Jorg Hofmann, Daniela Cavallo, chair of the central works council, and Stephan Weil (SPD), prime minister of Lower Saxony, are members of the eight-person presidium of the supervisory board, where all important decisions are discussed. Hofmann is soon to be replaced there by the current IG Metall leader Christiane Benner.

Personnel director Gunnar Kilian, who is responsible for the layoffs, was the secretary general of the works council before moving to the management board. He was considered the "closest confidant" of Cavallo's predecessor Bernd Osterloh and his "Majordomo." One of Kilian's predecessors, Peter Hartz, had drafted the labour market laws named after him for Gerhard Schroder's (SPD) federal government, which created the conditions for a huge low-wage sector.

This "VW system" enabled the company to expand production over decades, make high profits and pay above-average wages to its core workforce. When global competition intensified, new competitors emerged in Japan, Korea and China, and emissions standards were tightened, the VW management resorted to criminal methods and has already had to pay a €30 billion fine for the diesel emissions scandal.

This was offset by an aggressive expansion of business in China, where Volkswagen has been the market leader with its core VW brand since the 1980s. In recent years, the group sold around 40 percent of its vehicles in China, where it generated a large share of its profits.

But now, sales are falling significantly. Chinese manufacturers such as SAIC, BYD, Geely and Xpeng are emerging as competitors and expanding into Europe. They have left VW far behind, especially in the assembly and sale of electric vehicles.

The bitter competition is being fought out at the expense of workers in Germany and China. Volkswagen is responding to the growing market share of Chinese producers by investing billions in stakes in Chinese companies and start-ups that have the technical know-how for e-mobility.

The main thing for VW is not only gaining access to technologies and raw materials such as lithium, nickel, cobalt and rare earths, which are necessary for the construction of EVs, but also a drastic increase in profits and intensification of exploitation. The car bosses are using the switch to e-mobility worldwide to drastically increase profits.

The former head of Siemens, Joe Kaeser, who is now chairman of the supervisory board at Daimler Trucks, boasted in business daily *Handelsblatt* last week that the world's largest truck and bus manufacturer had already increased its profit margin (EBIT) from 2-3 percent to 9-10 percent in recent years through an "enormous effort." Kaeser added, "But the truth is also that the best competitors we have don't earn a 10 percent EBIT margin, but 14 to 15 percent."

The tough cutbacks at VW are also designed to increase profits. Brand director Thomas Schafer is aiming first of all to increase the return on sales from just under 3 percent at present to at least 6.5 percent. "We have to achieve good, competitive returns on investment even in times of crisis and in a world that is volatile in the long-term," Schafer declared. This refers to the 10 to 15 percent returns that carmakers are currently striving for and achieving in some areas, such as Mercedes-Benz, BMW, Tesla and the group's own brands Audi and Porsche.

## Global crisis and world war

The unbridled pursuit of profit by billionaires and speculators not only intensifies exploitation, but also leads to war. The race for raw materials, markets and cheap labour is developing into an economic war with trade restrictions, punitive tariffs and subsidies, and ultimately military war.

The US, for example, now imposes import duties of 100 percent on electric cars from China. At the same time, it is surrounding the economically rising country militarily and systematically preparing for war. The EU has also imposed import tariffs, albeit at a lower rate.

Germany has used the EU's eastward expansion to increase its economic dominance in Eastern Europe. Now it is waging a proxy war in Ukraine against Russia in order to force a regime change in Moscow and bring the huge country, with its raw materials and energy sources, under the direct control of German industry.

In doing so, Berlin is continuing the imperialist great power politics of the Nazis. Eight decades after the attack on the Soviet Union, which resulted in 28 million victims and the Holocaust, German tanks are once again rolling against Russia. The costs of the war—high energy prices as a result of the sanctions, economic decline, inflation, and war and armaments costs—will be imposed on the working class.

Berlin is also switching from economic cooperation to military confrontation with China. Defence Minister Boris Pistorius (SPD) is pushing for the German frigate "Baden-Württemberg" to sail through Chinese territorial waters in the South China Sea. This provocative gesture is reminiscent of the practices of Kaiser Wilhelm II before the First World War. It poisons political relations and will further exacerbate the crisis at VW.

The struggle to defend jobs, wages and social standards is therefore inextricably linked to the struggle against war and military rearmament and the defence of democratic rights. It must be waged under a socialist perspective. Without breaking the power of the billionaires, banks and large corporations, not a single social problem can be solved. They must be expropriated and placed under the democratic control of the workforce.

## Build action committees!

VW is just the tip of the iceberg. Hundreds of thousands of jobs will be destroyed in the global auto industry. Of the 780,000 jobs in the German auto industry and the 480,000 in the German chemical industry, hardly any are safe.

Last week, newsweekly *Der Spiegel* commented under the headline "The end of the jobs guarantee" that "reasonably paid and generously endowed jobs are currently being cut" in industrial production and construction. In the service sector, on the other hand, where people work longer hours and often only get paid half as much, there was a shortage of workers. "No wonder many employees don't want to swap. But that's exactly what it will come down to," they write.

In other words, hundreds of thousands of workers are supposed to make do with a job that often isn't even enough to live on, let alone support a family. This must not be allowed to happen. It is necessary to counter the arrogance of the Porsche/Piech oligarch clans and their lackeys in the trade unions and politics with the strength and power of the workers.

The Porsche/Piech clans owe their wealth to the fact that they are descendants of Ferdinand Porsche and his son-in-law Anton Piech, who, as favourites of Adolf Hitler, built up the Volkswagenwerk for the Nazis. The foundations of the billions in assets of the Porsches and Piechs were laid by 20,000 forced labourers who, under inhumane conditions,

produced armaments for Hitler's Wehrmacht (Army) in the VW factory during the Second World War.

Today, Volkswagen is the largest carmaker in Europe. With around 60,000 employees, the main plant in Wolfsburg is the largest factory in the world. VW employs 670,000 workers in 122 factories on all continents, 120,000 in Germany alone. Hundreds of thousands more are employed in the supplier industry. If you add in family members, the fate of several million people is directly linked to the company.

To develop this great international strength of the VW workers, the control of the IG Metall union and its works council reps must be broken. These are part of the corporate management and exercise a veritable dictatorship over the workforce. This requires the building of independent action committees in which all VW workers who seriously want to fight can unite.

Such action committees have already formed in several car plants in the US and have joined together to establish a network as part of the International Workers Alliance of Rank-and-File Committees (IWA-RFC), which is coordinating the growing resistance worldwide. The founding of an action committee at VW in Germany will be a decisive step in making the fight against the cuts at VW part of a systematic, international offensive in the automotive and supplier industry.

We propose the following as the first immediate demands:

- Defend all jobs at all locations! No concessions on wages and social benefits.
- No more negotiations behind closed doors. Disclosure of all details of the "Performance programme." The independent action committee will review them and take cross-location action.
- Fight against the division of the workforce by location, country and car brand. The action committee must oppose the prioritisation of profits and instead prioritise the needs and rights of the workforce over the profits of the billionaire clans and investors.

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